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Hillary Clinton Sheds the Image Of Lady Macbeth

By Robin Toner New York Times Service WASHINGTON — Barbara Bush is still vastly more popular and better known than Hillary Clinton seems to be riding a heady backlash from the Republican convention these days.



Sad Aftermath of the Floods in Southeastern France A woman being comforted Thursday by rescue workers and a neighbor after returning to her house, which was devastated by the flash floods and fierce storms that struck southeastern France on Tuesday.

Swiss Rate Cut May Portend A German Move Franc Gets the Upper Hand In Europe's Currency Battle

By Carl Gewirtz International Herald Tribune PARIS — There were signs Thursday, although hardly conclusive, that France may soon be able to claim victory in its battle to save the franc.

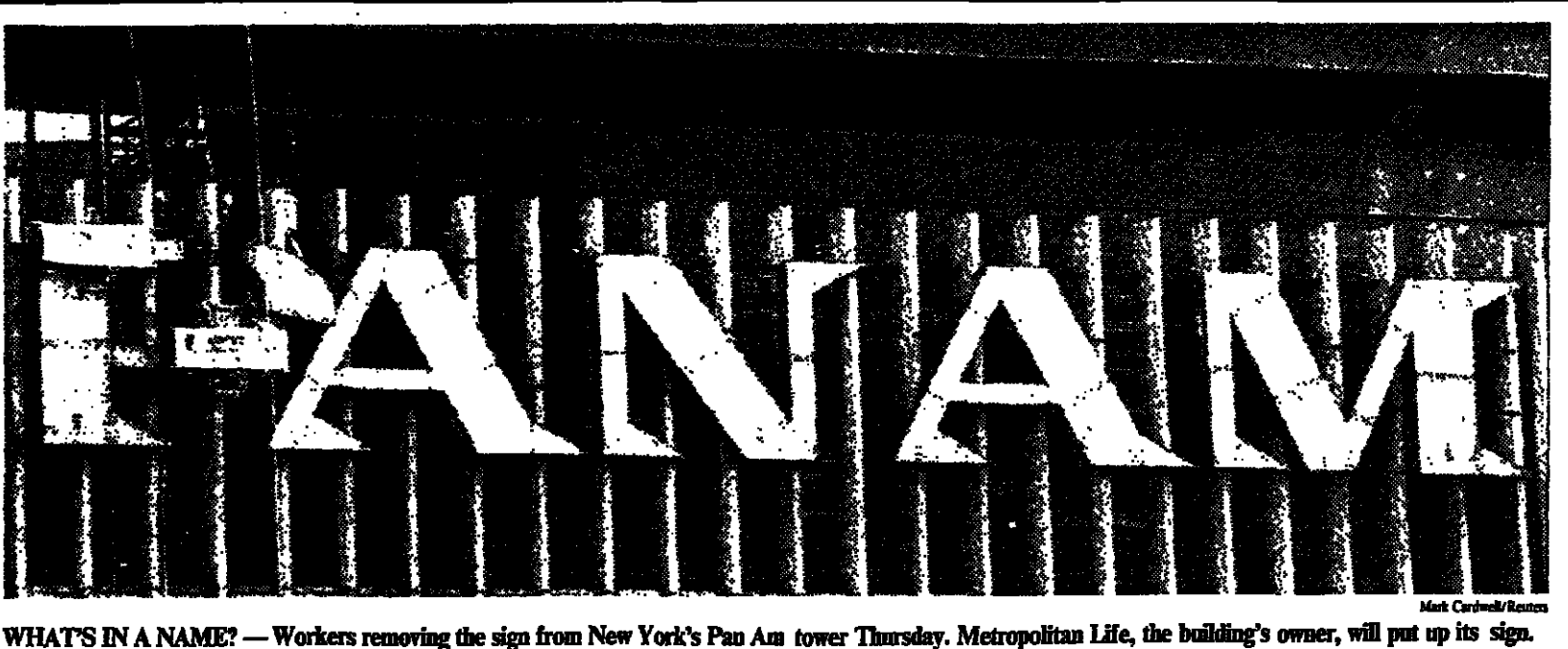
Russia Is Selling Submarines to Iran

By Michael R. Gordon New York Times Service WASHINGTON — Russia is selling diesel submarines to Iran despite U.S. protests, and the first of the vessels is expected to sail for Iran shortly, senior Pentagon officials said.

The mark was never permitted to rise above 3.42 francs Wednesday; the banks were fighting to hold the currency at 3.4220. The official floor in the European Monetary System's exchange rate mechanism is 3.4350 francs.

From both camps, campaign promises that do not add up. Page 3. were measured against Mrs. Bush's and found lacking. Her defense of her legal career last spring — an angry "I suppose I could have stayed home and baked cookies" — made even some Democrats wince.

Kiosk Cashier Is Slain At Euro Disney PARIS (Combined Dispatches) — A hotel cashier at Euro Disney was stabbed to death and robbed of the money he was putting into a safe at the amusement park near Paris, the police said Thursday.



WHAT'S IN A NAME? — Workers removing the sign from New York's Pan Am tower Thursday. Metropolitan Life, the building's owner, will put up its sign.

Senior Japan Politician Said to Plan Guilty Plea

By David E. Sanger New York Times Service TOKYO — Shin Kanemaru, widely considered to be Japan's most influential politician, was reported Thursday to be readying a guilty plea to charges that he received \$4 million in improper political contributions from a mob-related company in a widening scandal that is threatening to engulf the cabinet of Prime Minister Kiichi Miyazawa.

Yen Grows Stronger, Even Against Mark

By Andrew Pollack New York Times Service TOKYO — Overlooked in the commotion in the European foreign exchange markets, the Japanese yen has staged a strong rally and is emerging as perhaps the strongest major currency in the world right now.

Table with financial data: Dow Jones, Trib Index, The Dollar, DM, Pound, Yen, FF.

The Faceless Spymaster of the East Faces Justice in the West

By Marc Fisher Washington Post Service BERLIN — The legendary East German spy-master Markus Wolf, once known as the man without a face because Western intelligence agencies could not even obtain a picture of him, was charged with spying and treason Thursday.

Major Sees No End To Pound's Floating

By Erik Ipsen International Herald Tribune LONDON — In a stormy emergency session of Parliament on Thursday, Prime Minister John Major said that it would be a long time, if ever, before he would take Britain back into the European exchange rate mechanism it fled on Sept. 16.

UN Fights Time as Bosnia Winter Nears

By John F. Burns
New York Times Service

SARAJEVO, Bosnia-Herzegovina — United Nations officials assigned to help the people of Bosnia-Herzegovina survive the winter are in a race with time that many of the officials fear may be lost.

With the first snowfalls in Sarajevo probably no more than six weeks away, this city and dozens of other towns and villages are facing a threat that has become more dire as many Bosnians see the winter months as more menacing than the tank and mortar bombardments around them.

Unless a new United Nations relief plan can surmount daunting obstacles, including a resistance from Serbian nationalist forces that has frustrated much of the relief effort so far, hundreds of thousands will face the winter without adequate clothing or shelter, without fuel for heating or cooking and with little food.

Senior officials of the Muslim-led Bosnian government have been warning that in the worst case, tens of thousands of people will die of exposure or starvation. At least 50,000 people are estimated to have died or disappeared in Bosnia-Herzegovina since April, when the fighting began.

UN relief officials have expressed similar fears, saying that they have been left with too

little time, too few stockpiled supplies and no assurances that the Serbian forces will cooperate.

Major General Philippe Morillon, the French officer named to organize the stepped-up relief effort authorized by the Security Council last week, flew to Bosnia over the weekend to assess problems facing the new, 6,000-member UN military force. The force will attempt to overcome obstacles that have kept supplies from reaching many of the 1.3 million people estimated to be in need of help.

The new force will be in addition to the 2,000 military and civilian personnel that the United Nations has already deployed across Bosnia, mostly in Sarajevo.

At a news conference this week, General Morillon seemed beset with worry. He outlined the steps necessary before the truck convoys needed to transport thousands of tons of supplies a week could begin running. Among these, he said, would be the repair of four bridges on the main route, a 140-kilometer (85-mile) run from Mostar, southwest of Sarajevo, that has been the scene of savage fighting.

"We must pray that winter doesn't arrive too quickly," the general said.

In approving the expansion of the relief effort last week, the Security Council set out a

plan under which troops from Canada and several European countries, including Britain and France, would seek to establish safe corridors for overland convoys across Bosnia.

The UN resolution also widened the conditions under which the troops could use force, authorizing units accompanying convoys to use "all necessary means" to get supplies through.

Among many Bosnians, this raised the hope that UN troops, who have hitherto opened fire only when fired upon, would use force to overcome Serbian resistance, including attempts to block roads.

Some Bosnian officials predicted that this could draw Western forces into the war on the Bosnian government side. But General Morillon made it plain that convoys encountering Serbian blockades would use persuasion, not force.

"We have absolutely no intention to force our way through blockades," the general said. "It is not in our mandate."

Cyrus Shakhshali, a UN relief official, was doubtful that the UN effort would succeed. He said that he believed that no effective relief effort could be mounted without a lasting, countrywide cease-fire.

"The crux of the problem is political," he said. "If we don't have a cease-fire, the Serbs can and will sabotage all our efforts."

Germany Tells UN It Wants Permanent Security Council Seat

By Paul Lewis
New York Times Service

UNITED NATIONS, New York — Germany has told the United Nations General Assembly for the first time that it would like a permanent seat on the Security Council and promised to revise its constitution so that German soldiers could take part in UN military operations.

The German statement, made by Foreign Minister Klaus Kinkel in an address Wednesday to the assembly, was widely viewed as a sign that two years after reunification Germany is ready to take a role in world political affairs commensurate with its economic strength. Mr. Kinkel made clear that Germany was still unwilling to go on the offensive in seeking a permanent seat on the 15-nation council, the body charged with preserving world peace, saying, "We will not take the initiative in this respect."

But he noted that a debate on enlarging the Security Council was under way and that "if a change in the council's composition is actually considered we, too, shall seek a permanent seat."

Mr. Kinkel's comments came a day after the Japanese foreign minister, Michio Watanabe, dropped a broad hint, as he did in his speech last year, that Japan also believed its economic importance merited permanent Security Council membership by 1995, when the United Nations celebrates its 50th anniversary.

In the past, the United States has supported the principle of council membership for Japan and, since reunification in October 1990, for Germany as well.

But it has also quietly discouraged both countries from pressing openly for permanent membership, fearing that any attempt to amend the UN Charter risks unleashing pressures for more far-reaching organizational changes. Now that Germany and Japan are becoming more explicit about their wishes, Washington may have to decide whether to come out publicly in favor of or against their membership.

At present, permanent membership is confined to Britain, China, France, Russia and the United States, the five World War II victors, who also have a veto on deci-

sions. The 10 rotating members of the council serve two-year terms. Many countries consider that this no longer reflects the realities of the modern era. Pressure to expand or change the membership is growing among the poor populous countries in the United Nations and popular sentiment to join the council is also thought to be building in Japan and Germany.

Mr. Kinkel said Wednesday that the "efficiency and credibility" of the council were important if it was to serve as an effective guardian of international peace. German officials say that the pressures to reform the United Nations to consider the council's membership in the next few years and that Germany will seek a permanent seat then.

Changes in the council's membership are almost certain to be accompanied by complications and disputes. Many Third World countries resent the privileged position of the present Permanent Five, as they are called, and want greater representation for the world's populous poorer nations.

This week, Brazil's foreign minister drew his weight behind what has come to be called the Brazilian plan, under which Germany and Japan would get permanent seats but without a veto, along with such countries as Brazil, Egypt, India and Nigeria.

But the addition of five or six more permanent members would bring pressure for more rotating seats as well, raising the council's membership to 20 or so, which some diplomats fear would make decisions harder to reach.

German officials say the government decided that the time was right to press more openly for permanent council membership because of a feeling that Britain and France would never agree to an alternative plan under which they would merge their national seats into a single permanent seat representing the European Community. Mr. Kinkel also sought on Wednesday to deal with one of the major arguments against giving Germany permanent Security Council membership — the government's contention that a constitutional ban against sending German soldiers outside the North Atlantic Treaty Organization area prevents it from taking part in UN operations.

Mr. Kinkel said the governing coalition of Christian Democrats and Free Democrats was committed "to make our armed forces available to the United Nations, with the approval of Parliament, for peacekeeping and peacekeeping assignments."

German officials said this phrase was meant to include both classic peacekeeping operations and military enforcement action against aggressors authorized by the council. German forces have played supporting roles in several UN peacekeeping operations recently.

U.S. Backs Expansion

The United States said Thursday that it was willing to consider expanding the Security Council to include Germany, Japan and possibly other states as permanent members, but added that the issue was complicated and that decisions would take some time. Reuters reported from the United Nations. "Security Council reform is something the United States does not currently have a plan to consider," said the acting secretary of state, Lawrence S. Eagleburger.

WORLD BRIEFS

Iraq Opposition Plans Government

SALAH AD DIN, Iraq (AP) — Iraqi opponents of Saddam Hussein, meeting together for the first time on his soil, on Thursday proclaimed their unity and intention to create a federal government. They agreed to form an 87-member legislature to coordinate the struggle and draw a blueprint for a democratic Iraq. More than 60 delegates from 33 parties or groups attended the opening ceremony on Wednesday. The delegates set up a committee of 18, representing the main Kurdish, Shiite fundamentalist and Sunni Arab groups to work out details of the anti-Saddam strategy.

The chances are slim that the opposition will be able to overthrow Mr. Saddam soon, given his military might. But observers said the meeting gave moral strength to his opponents, particularly the Kurds, who have set up their own de-facto state in Iraq's north.

Georgia Warns of 'War' on Abkhazia

MOSCOW (Reuters) — Georgia threatened on Thursday to start a "real war" if its ultimatum demanding that south Russian armed groups be withdrawn from the rebel region of Abkhazia by Friday was not observed.

A spokesman, Ramin Chelidze, said that the State Council had decided to start a "wide-scale combat action" to drive all "illegal north Caucasian armed groups" from Abkhazia. "Then a real war will start," he said. Mr. Chelidze, deputy head of the ruling State Council's press service, was speaking by telephone from his office in the Georgian capital, Tbilisi.

Roh to Hold Nuclear Talks in China

SEOUL (UPI) — North Korea's nuclear development program will be a major topic when President Roh Tae Woo of South Korea meets Chinese leaders in Beijing next week, a senior South official said Thursday.

Shin Kee Bok, assistant foreign minister for political affairs for South Korea, said that Mr. Roh will meet China's president, Yang Shangkun; the Communist Party leader, Jiang Zemin; Prime Minister Li Peng and other officials.

President Roh's visit will not only help promote bilateral relations with China but will also contribute to the stability of the Korean Peninsula, Mr. Shin said. "I think democratization of the Korean Peninsula will be a major topic during the visit."

Ex-Honduras Rebel Frees Hostage

TEGUCIGALPA, Honduras (AP) — A former Honduran rebel freed Luis Fishman, the Costa Rican interior minister, Thursday and flew to possible asylum in Mexico after a 16-hour hostage-taking that also netted the Honduran secret police chief and a bishop, officials said.

Orlando Ordoñez, a former member of Honduras's Cinchonero rebel group, flew to Mexico immediately with three Roman Catholic priests and a Mexican diplomat after Mr. Fishman's release at Tegucigalpa's international airport, officials said. Mr. Fishman was freed after a night-long airport standoff and negotiations involving Honduran officials and Costa Rican, Mexican and Vatican diplomats. The former rebel's other two hostages were freed Wednesday. In Mexico City, a Foreign Ministry spokesman said the government had agreed to Mr. Ordoñez's "transfer" to Mexico and that his status would be considered.

42 Still Missing in Ship Collision

JAKARTA (Reuters) — Forty-two seamen are still missing after a weekend collision between two ships in the Strait of Malacca which also left a giant oil slick in one of the world's busiest waterways, officials said on Thursday.

Indonesia, which is coordinating the search, says only one body and three survivors have been found out of a crew of 21 crew aboard the Panamanian-registered tanker ship Ocean Blessing and 25 on the Liberian-registered tanker Nagasaki Spirit, which collided Sunday.

The container ship has been towed to a north Sumatran port but the tanker, which was carrying 40,000 tons of oil, is still drifting in the strait coating oil from a hole in its side. An official estimated the radius of the oil slick at about 20 kilometers (12 miles).

TRAVEL UPDATE

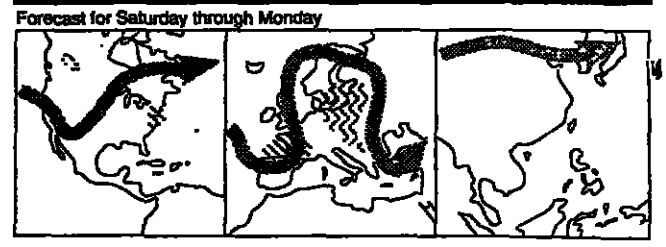
International air travel is expected to increase by 7.4 percent annually in the next four years as the world emerges from economic recession, according to a study released on Thursday by the International Air Transport Association. (Reuters)

The number of traffic-related deaths in Russia in the first half of this year — 13,000 — equaled the total death toll in the 10-year Afghan war, the daily newspaper Trud reported Thursday, citing figures from the state statistics committee. (Reuters)

Fare wars and mergers are knocking airlines out of the skies, industry officials said on Thursday at a conference in Cairo, and a British Airways official predicted that there would be only nine major carriers by the end of the century. Much of the attrition is expected to take place in the United States, where industry losses of \$7 billion in the last two years have pushed major airlines into bankruptcy or liquidation. (Reuters) Germany has asked the United States to update a 1955 bilateral air traffic treaty, removing terms that it says favor U.S. carriers, including limits on the number of airports available to each country's airline. Bonn said it would terminate the accord if the changes were not made. (AP) About 1.74 million tourists visited Thailand from January to June, as opposed to 1.62 million a year previously, despite May's riots in Bangkok, the national tourist authority said. (Reuters)

Two campgrounds in Kings Canyon National Park in California have been closed temporarily because of a mouse found dead there of bubonic plague. No park visitors have been infected, a spokeswoman said. (AP)

The Weather



North America: Tropical storm Danielle will hit the mid-Atlantic coast early in the weekend, bringing flooding rains from New York City through Washington, D.C., Chicago and Detroit will have a rather warm weekend with just the chance of a shower. Europe: Showers and thunderstorms will cool areas of northern Spain and southern France this weekend. Madrid will have thunderstorms Saturday, then Sunday and Monday will be cooler and probably dry. Paris and London will be mainly cloudy with showers possible. Asia: Shanghai, Korea and western Japan will be a fairly sunny and comfortable this weekend. Rain will let a little in Tokyo into early Sunday as it turns breezy and cool. Hong Kong will be dry and sunny with passing showers while a breeze refreshes Taipei.

Region	City	Today High/Low	Tomorrow High/Low	Chance of Precip.
North America	Albany	24/18	24/18	15%
	Annapolis	20/18	20/18	10%
	Annapolis	20/18	20/18	10%
	Annapolis	20/18	20/18	10%
	Annapolis	20/18	20/18	10%
Europe	London	18/14	18/14	20%
	Paris	18/14	18/14	20%
	Berlin	18/14	18/14	20%
	Moscow	18/14	18/14	20%
	Stockholm	18/14	18/14	20%
Asia	Shanghai	28/22	28/22	10%
	Tokyo	28/22	28/22	10%
	Hong Kong	28/22	28/22	10%
	Singapore	28/22	28/22	10%
	Manila	28/22	28/22	10%

Bosnian Strife Widens, Sarajevo Mortar Kills 3

Compiled by Our Staff From Dispatches
SARAJEVO, Bosnia-Herzegovina — Bosnian and Serbian forces fought for control of key towns across Bosnia on Thursday, while a mortar attack killed three civilians in central Sarajevo.

Outside the capital, near the suburb of Stup, a United Nations armored personnel carrier overseeing an exchange of bodies by Serbian and Bosnian forces burst into flames after being hit by a bazooka shell. At least seven peacekeeping personnel — six Egyptians and a Canadian — were wounded, a UN spokesman said.

Cyrus R. Vance and Lord Owen, mediators heading international efforts to restore peace in the former Yugoslav republic, said they would visit Serbian-held Banja Luka in northern Bosnia on Friday to investigate reports of ethnic violence. Local sources said that Muslims

there killed four Serbian policemen Wednesday night. The town was at the center of "ethnic cleansing" operations earlier this year.

Mr. Vance and Lord Owen were also expected to seek details of a Banja Luka police investigation into allegations that Serbian police killed 200 Muslim men who disappeared in August while being escorted to Muslim-held territory.

Sarajevo radio reported three dead in Thursday's mortar attack, which hit bus carrying people to work. Another person was killed by a sniper in the city.

The towns of Gradacac, Bijac and Jajce were heavily shelled by Serbian forces, it said. Jajce, in western Bosnia, was also being bombed by Serbian aircraft. Jajce has been virtually cut off by Serbian forces since April.

At the United Nations in New York, the presidents of Croatia and Bosnia-Herzegovina announced a mutual defense pact to thwart Serbian aggression.

Despite a pact signed in July, relations between Bosnia and Croatia have soured. Last month, Croatia forces close to Sarajevo turned back at least two arms shipments to Sarajevo's besieged defenders, Bosnian defense officials said.

President Franjo Tudjman said he did not intend to ask UN peacekeepers in Croatia to stay beyond March 1993, when their mandate expires. He said that the Serbs in Croatia will be peacefully integrated into political life by then, so "there will be no need to extend the mandate of the UN."

In fact, tensions have been high in some of the Serb-dominated areas patrolled by the 10,000 UN peacekeepers deployed in Croatia. The troops are separating Serb separatist and Croatian troops. (Reuters, AP)



MINISTER FOR FUN RESIGNS — David Mellor, National Heritage minister, also known as the "minister for fun," in London before resigning following publicity about an affair with an actress and a friendship with a PLO aide's daughter.

Bonn-Romania Gypsy Accord

Refugees Deported as Bucharest Gets \$21 Million in Aid

WASHINGTON Post Service
BERLIN — Germany and Romania signed a treaty on Thursday allowing Germany to deport those thousands of refugees, most of them Romanian Gypsies, while Romania will receive \$21 million in "return and reintegration aid."

In Bucharest for the signing ceremony, the German interior minister, Rudolf Seiters, hailed the accord as "a great success in my efforts quickly to return rejected asylum-seekers to their homelands."

About 20 percent of the 280,000 foreigners who have sought asylum in Germany this year are from Romania; about 60 percent of the Romanians are Gypsies. The treaty was criticized Thursday by human-rights groups and Gypsy organizations, who accused Germany of sending thousands of people to face political persecution in the country they had fled.

"Gypsies in Romania have been the target of increasingly violent attacks since the revolution that toppled Nicolae Ceausescu," the director of the international human-rights group Helsinki Watch, Jeri Luber, wrote in a letter to Chancellor Helmut Kohl of Germany. "The German government's decision to single out Romanian Gypsies for deportation is discriminatory treatment."

Germany, which has accepted more refugees than any other European country, has defended the deportation program as an important step in streamlining an asylum system overloaded by more than half a million refugees since Germany re-

unified two years ago and opened its eastern borders. German press reports on Thursday night referred to the \$21 million aid program for Romania as a form of compensation to the Bucharest government for taking back its fleeing citizens. The German Interior Ministry statement announcing the program said the return of Romanian refugees to their country "stands in the context of" Germany's agreement to spend \$21 million over three years to build job-training schools in Romania. Later, the ministry said the aid program was not a form of compensation, but had been in the works for several months.

The leader of Germany's main Gypsy group, the Central Council of German Roma and Sinti, accused the German government and news media of inciting a fear campaign against Gypsies. The leader, Romani Rose, said, "It is frightening how quickly during the present crisis in Germany our minority is being used politically to divert attention from the real problems we have — high unemployment, housing shortages, health care."

In a recent report on the persecution of Gypsies in Romania, Helsinki Watch, which said its investigators conducted interviews with more than 200 Gypsies and Romanian officials, concluded that both vigilante mobs and Romanian policemen had beaten Gypsies, chased them out of their villages and denied them work.

The Romanian government denies persecution of Gypsies and said it welcomed the opportunity to return the refugees to their homes. Germany has rejected nearly all asylum claims from Romania, granting asylum to only 0.2 percent of the applicants, Mr. Seiters said. Relations between Germans and Gypsies have been strained for more than a century. About half a million Gypsies were rounded up and murdered in Nazi concentration camps.

For decades, Gypsy organizations have asked the German government for reparations of the type that West Germany paid to Israel and to Jewish Holocaust survivors. The German ZDF television service said that Bonn's Finance Ministry recently rejected a demand for reparations by Ion Coaba, who was recently crowned king of the Gypsies. —MARC FISHER

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- European monetary chaos
- The dollar crisis
- The U.S. election
- Civil war in Yugoslavia
- Face-off over Iraq
- Maastricht ratification

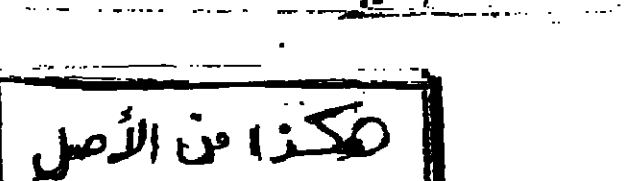
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CAMPAIGN '92 / CHECKING THE MATH

Candidates' Pledges That Don't Add Up

By David E. Rosenbaum
New York Times Service

WASHINGTON — This week, President George Bush offered a \$20 billion tax break to small businesses. Last week, it was \$500 million a year to companies giving workers time off in family emergencies. Before that, it was a 1 percentage point across-the-board reduction in tax rates for individuals.

And these are just the tax cuts Mr. Bush has proposed since the White House published its mid-year budget review in July. In all, the tax breaks he has put forth in his campaign would cost the government about \$165 billion in lost revenue over the next five years.

That does not count the tax credits and deductions Mr. Bush would allow so that people could get medical insurance, a cost that could easily reach \$20 billion a year. Nor does it count the tens of billions he says he would spend for job training and for tuition payments for students in private schools.

It is not unusual for presidential candidates to make generous promises as the election approaches. But Mr. Bush does so in the same breath that he advocates a constitutional amendment requiring a balanced budget and at a time when the federal deficit is about \$350 billion, the highest ever.

Governor Bill Clinton, the Democratic presidential nominee, also makes big promises: \$20 billion a

year for public works, medical care for all, an expanded student loan program, tax cuts for the middle class, continued spending on popular weapons of the Arkansas governor's arithmetic is almost as shaky as Mr. Bush's. But Mr. Clinton does talk about both the specific taxes he would raise and much deeper reductions in military

spending than Mr. Bush wants. And he does not promise to balance the budget, only to cut the deficit in half over four years.

Mr. Bush, of course, is sworn against tax increases. He says merely that his tax cuts would be balanced by spending reductions; he almost never says which ones. He did not say Wednesday, for example, how the country could afford \$20 billion in tax relief for small businesses.

A senior White House official said the new tax proposal would be more than offset by \$132 billion in spending cuts that Mr. Bush has recommended over the years and that have been rejected by Congress.

There are several problems with that figure: The first is that the White House and the Bush campaign have no list of programs that are included in the \$132 billion total. Only \$72 billion of the cuts are in the budget

for the next fiscal year, of which \$38 billion results from an accounting gimmick. The second is that Mr. Bush no longer advocates some cuts he favored early in his administration and that are presumably included in the \$132 billion. For example, two years ago, he recommended cutting price-support payments to farmers by \$20 billion. Congress approved about \$15 billion, but less than \$1 billion of the remaining cuts are in next year's budget.

Finally, Mr. Bush's staff uses the same \$132 billion figure to show how they would pay for tax cuts, how they would reduce the budget deficit and how they would finance such election-year plums as the reconstruction of Homestead Air Force Base in Florida.

But this is not the full extent of the president's budgetary sleight of hand. He said he favored putting a cap on all mandatory spending programs except Social Security so they could rise no more than the rate of inflation and the rate of increase in the eligible population. Such a cap, he said, would save the government \$294 billion in the next five years.

Mandatory programs, or entitlements, are those like Medicare, Medicaid, veterans benefits, food stamps and agricultural price supports that pay benefits automatically to everyone who is eligible. They make up about three-fifths of

the federal budget, and almost all economists think that they somehow should be reined in.

The rub with Mr. Bush's plan is that he offers no clue how it would work, nothing that would give any voter any indication that a favored benefit might be sliced.

Medicare and Medicaid, by far the largest mandatory programs besides Social Security, have been growing at about 13 percent a year, more than three times the rate of inflation. Does Mr. Bush have some plan he has not announced to lower medical costs? Or would the elderly and the poor find that some of their medical bills were not covered?

Mr. Clinton's accounting is also open to question. His pledge to cut the budget deficit in half over the next four years is based largely on the assumption that the economy will grow somewhat faster than congressional authorities and most private economists anticipate.

A promise to collect more taxes from foreign corporations based in the United States is probably more smoke than substance. And promises to save billions by cutting administrative costs throughout the government and improving management of the savings and loan bailout are probably not realistic.

Like most other politicians, Mr. Clinton almost never delivers bad news. In the Middle West, he says he will continue generous farm subsidies. In Florida, he promises no cuts in Social Security or Medicare.

And when he arrives in a community where weapons systems are built, he becomes outright hawkish.

The biggest gap in Mr. Clinton's calculations involves medical insurance. He calls medical care "a right, not a privilege," and he promises an insurance package that includes coverage for nursing-

home care and prescription drugs for every American.

He says the price to the government, perhaps \$30 billion or \$40 billion a year, would be offset by controlling medical costs, but he has not offered a fully developed cost-control plan.

His staff says that if the health-care plan proved to be too expensive, it might have to be phased in over several years, a caveat that the candidate himself does not make in his stump speeches.

But that said, Mr. Clinton has put out the most complete tax and spending figures of any recent presidential challenger. If they do not add up, they are not nearly so far off as Mr. Bush's.



President George Bush presenting his small-business proposals during an address to businessmen in Greensboro, North Carolina.

★ ELECTION NOTES ★

Clinton's Rhetoric Takes the Preppie Road

VALDOSTA, Georgia — Mr. Clinton's rhetoric is taking a personal turn, focusing on President George Bush's privileged upbringing as he expands his theme that Republican policies favor the wealthy at the expense of middle America.

Campaigning before a roaring crowd of 6,000 at the final stop of a one-day bus tour through Georgia, Mr. Clinton noted that Mr. Bush — in refusing to debate — called Mr. Clinton an "Oxford man" skilled at debating. "One day I'm a redneck from a little Southern state, the next day I'm an Oxford man," Mr. Clinton said. "He went to a country day school and prep school in Connecticut and Yale. Where does he get off looking up to me as an Oxford man?"

"He got \$300,000 from his daddy to start the family business. He ought to stand up and fight for his record rather than dumping on me," Mr. Clinton said.

Before leaving Valdosta, Mr. Clinton met with reporters and denied that his remarks represented a personal attack on Mr. Bush. "I just put out he had a very privileged background," Mr. Clinton said. "He went to a prep school. He went to Yale. And for him to be out there saying that is ludicrous."

Nadler Replaces Weiss as New York Nominee

NEW YORK — State Assemblyman Jerrold Nadler, a veteran legislator from the Upper West Side, was chosen by Manhattan Democratic Party leaders as their nominee to succeed Representative Ted Weiss on the November ballot, virtually assuring his election in the overwhelmingly Democratic district that has long been among the most liberal in the nation.

In a raucous meeting of nearly 1,000 Democratic county committee members that capped a week of old-fashioned ward politics and intense lobbying, Mr. Nadler handily defeated a crowded field of five other candidates, including the widow of Mr. Weiss, the long-time liberal leader who died last week.

Quote-Unquote

Vice President Dan Quayle: "One lesson we've learned over the past two centuries is the need for strong character in our presidents. This country has prevailed in rough times when our leaders have adhered firmly to principle and truth. But when our presidents have vacillated or lied or attempted to be all things to all people, then we have lost national confidence and steered toward crisis." (N77)

Congress Puts Bush in Corner

He Must Veto Popular Bills to Be Consistent

By Ann Devroy
Washington Post Service

WASHINGTON — This is the month that the Democratic-controlled Congress is sending President George Bush's legislative chickens home to roost.

With fewer than six weeks left in a campaign where the president is struggling, Congress is sending him legislation that he must veto to avoid being accused of flip-flopping.

But killing bills to grant family leave, to control the rising cost of cable television, or to help fund abortions for poor women, are actions not likely to gain many votes for Mr. Bush beyond those already in the Republican column.

Nicholas E. Calio, the White House aide for legislative affairs, said, "The schedule was done for political purposes, and no one in Congress would deny it with a straight face."

Another administration official noted that Mr. Bush was "on the wrong side politically" of at least four and perhaps more issues Democratic congressional leaders have made a priority in Congress's remaining days before adjournment:

• **Family leave.** Mr. Bush this week vetoed the family leave bill that would have required employers of more than 50 workers to give them up to 12 weeks of unpaid leave for family emergencies. Governor Bill Clinton, the Democratic presidential nominee, and the Democrats have been hating Mr. Bush for weeks on the issue, calling the president pro-family in rhetoric but anti-family in policy.

The Senate voted, 68 to 31, on Thursday to override the veto, with 14 Republicans going against the president. Opponents of the measure said they were certain they had enough votes in the House to sustain the veto. Thomas Foley, speaker of the House, acknowledged Thursday that the odds were long on overriding the veto, which requires a two-thirds vote in each chamber.

• **Cable television.** The legislation responds to widespread complaints about rapid price increases levied by cable operators, many of whom hold monopolies. The legislation attempts to regulate price structures and passed the Senate with large enough majority to override a veto.

• **China.** Legislation to renew most-favored-nation trade status has been crafted to highlight China's human rights, arms proliferation and trade policies. The legislation would impose restrictions on Beijing, and Mr. Bush has vetoed every version of it since the Tiananmen Square massacre, during his first year in office. Mr. Bush has steadfastly maintained that encouraging China to reform will work better than punishing that nation, a position that has little public support.

Republicans give Democrats credit, as one put it, for "recognizing earlier than we did the political potential" for issues to be pushed in the final weeks of Congress that coincide with the final weeks of the presidential campaign.

"These are grenades being rolled our way in a guerrilla war Congress is waging on Bill Clinton's behalf," a senior White House official said.

Mr. Bush's stands on those issues have not altered much in his four years in the White House and to switch positions now, his aides acknowledge, would be politically suicidal.

"Are you kidding," asked one aide when questioned on whether Mr. Bush should avoid vetoing the cable bill. "This is the week we are on the air accusing Clinton of flip-flopping," a reference to a new Bush advertising campaign against Mr. Clinton that began Wednesday.

The seeds of Mr. Bush's current legislative problems were sown in better times when John H. Sununu, then the White House chief of staff, labored for the president's first three years in office to keep Mr. Bush right with conservatives, who had little love and not much trust that he was one of them, and with traditional Republican constituencies such as business.

Away From the Hustings

• **New laws on the disposal of hazardous waste** were passed by Congress and sent to President George Bush. The legislation requires federal installations, such as nuclear plants, to comply with state and federal laws. The bill, which the administration had blocked for several years, was passed, 403 to 3, in the House and by voice vote in the Senate.

• **A protein implicated in Alzheimer's disease**, apparently made by cells throughout the body, is cited by scientists in a surprising finding that may offer ways to test for the illness and develop treatments. Three groups of researchers said they discovered the production of beta amyloid by human and animal cells in the laboratory and by blood and spinal cord cells from Alzheimer's patients and healthy people.

• **A homemade bomb caused an explosion that killed nine men** in a strikebound gold mine in Yellowknife, Northwest Territories, last week, a newspaper reported. The bomb in the Giant Yellowknife mine probably went off when a rail car carrying the miners rolled over a detonator. The Globe and Mail of Toronto reported Wednesday, citing mine officials.

• **In the aftermath of the hurricanes that swept through Florida, Louisiana and Hawaii**, President Bush signed legislation providing \$11.1 billion in emergency aid to those states. Also given aid was the territory of Guam, damaged by a typhoon.

• **Charges of criminal sexual conduct with a 15-year-old baby sitter** in 1987 were lodged in Minnesota against James R. Porter, a former Roman Catholic priest who was indicted Monday on charges of sexually assaulting 32 girls and boys in Massachusetts three decades ago. The new charges were disclosed while he was being arraigned in New Bedford, Massachusetts, on accusations that dated back to when he was a priest in the area.

• **After an engine exploded**, a United Airlines DC-10 with 238 passengers on board returned safely to San Francisco airport, an airport spokesman said. The DC-10 had just taken off on a flight to Kona, Hawaii, when a compressor in one of its three engines exploded, blowing out the side of the engine and some engine parts, a spokesman said.

NYT, UPI, AP, Reuters

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James A. Van Fleet, U.S. General, Dies

New York Times Service

General James A. Van Fleet, 100, a foot soldier through four decades and a commander who led major campaigns in World War II and the Korean War, died Wednesday in Polk City, Florida.

General Van Fleet, who had been a machine-gunner in World War I, later played crucial roles on D-Day, in the Allied push into Germany and, after the war, in stopping Communist guerrillas in Greece.

Calling him "the greatest general we have ever had," former President Harry S. Truman said in 1953: "I sent him to Greece and he won the war. I sent him to Korea and he won the war."

As commander of an infantry regiment for the D-Day assault on Omaha Beach in Normandy, his men obtained their objectives with a minimum loss of lives.

After serving as deputy division commander and later leading a division, he was put in command of the 3d Corps, and was on hand for the crossing of the Rhine River. His corps spearheaded the drive across Germany.

After serving in Greece during the civil war, he was at 1st Army Headquarters in Maryland when he was summoned to command allied forces in Korea.

He was born in New Jersey, a son of William and Medora Van Fleet. His father had served in the Union Army during the Civil War. His grandfather, Joshua, served in the New York militia during the Revolution.

He was appointed to the U.S. Military Academy in 1911, and graduated with the class of 1915, which included Omar N. Bradley and Dwight D. Eisenhower.

After infantry company duty during a tense period on the Mexican border in 1916, Lieutenant Van Fleet took machine-gun training. He went to France as a captain and received command of the 17th Machine Gun Battalion of the 6th Division. In the rugged fighting during the Meuse-Argonne offensive in October 1918, he was wounded in action several days before the war ended on Nov. 11.

His service in the peacetime army of the 1920s included assignments to Reserve Officer Training Corps units in several state colleges. For several years, he was commandant of cadets and head football coach at the University of Florida. He was returned to field service in 1925 as a battalion commander with the 42d Infantry in the Panama Canal Zone.



For General Van Fleet, a long and honored military record.

Flood Deaths Expected to Surpass 80 in France

Compiled by Our Staff From Dispatches

VAISON-LA-ROMAINE, France — As hopes of finding further survivors dimmed, rescue officials said Thursday that they feared that more than 80 people had died in the flash floods and fierce storms that swept through southeastern France this week.

At least 34 people were killed and nearly 50 were missing after rivers in the Arubche, Drôme and Vaucluse regions burst their banks Tuesday, creating torrents of mud and water that devastated towns and campsites, toppled trees and houses and swept away cars and caravans. Five Belgians, a German and a Dutchman were among the dead.

"Technically there is no chance of finding anybody else alive," said Yves Cavalier, head of the rescue operation in Vaison-la-Romaine, the town worst affected by the floods.

"It's an indescribable tragedy," said Mayor Claude Haut of Vaison-La-Romaine, where at least 21 people died and at least 30 houses and a campsite were destroyed when the Ouveze River rose up to 50 feet (about 16 meters) to engulf the ancient town Tuesday.

The water rose so fast that vehicles were sucked up by the current and hurled over inundated bridges. Onlookers watched helplessly as people inside cars and caravans waved from behind the windows in despair.

A pedestrian crossing the Roman bridge in Vaison when the floods struck clung on to a road sign for three hours before losing strength and being swept away. A mother fighting the current dropped her baby out of exhaustion and saw him drown.

Although floods have regularly occurred in the area, Tuesday's disaster was the worst in the modern history of Vaison, 25 miles (48 kilometers) north of Avignon. The Roman bridge was last submerged in 1616.

As the toll mounted, ecologists and others threatened officials with lawsuits for allowing rapid construction of homes and campsites in flood zones. Others said deforestation contributed to the flooding.

Most of the territory along the banks of the Ouveze has been turned in the last 90

years into a series of camp and caravan sites and flimsily built industrial and housing estates.

Some locals blamed the severity of the flood's impact on the decline of agriculture in the area, saying the soil would have withstood better if more had been cultivated.

Interior Minister Paul Quilès declared the area a disaster zone and earmarked 5 million francs (\$1 million) to help victims and restore the extensive damage.

Officials said river levels were stabilizing but would not return to normal until the end of the week. Drinking water was still unavailable in some areas.

(Reuters, AP)

On a day in which Ford, Britain's largest car manufacturer, announced layoffs of 1,500 workers, and Rolls-Royce announced it was cutting its work force by 950 — nearly a third — few observers saw any danger of Britain's economy, much less its inflation rate, overheating any time soon.

Most economists predict that by the end of next year inflation will be one-half to one full percentage point higher than it would have been had Britain stayed in the ERM, with the bulk of that coming from the effect of a devalued pound

Death Rate of Children in Iraq Rose After War

The Associated Press

BOSTON — The death rate among Iraqi children rose dramatically in the months after the Gulf War, largely because of an outbreak of diarrhea caused by damaged water and sewage systems, researchers reported Thursday.

In the first seven months of 1991, about 46,900 more children died than would have been expected, according to a study published in the New England Journal of Medicine.

Dr. David Botkin, 82, a medical scientist and teacher whose work helped lay the groundwork for the Salk and Sabin polio vaccines, died Friday in Baltimore of Parkinson's disease.

Edward M.M. Warburg, 84, a philanthropist and benefactor of the arts, died of heart failure Monday in Norwalk, Connecticut. In 1933, he was a founding father of the American Ballet, the precursor of the New York City Ballet.

Dr. Leon Jacobson, 81, who was the chief doctor for the research team that created the atomic bomb, died Sunday in Chicago of complications from lung cancer.

Charles H. Shattuck, 81, a Shakespearean scholar and an authority on the performance of the playwright's works in the United States, died Monday in Urbana, Illinois after a long illness.

Gerald Huxley, 76, an Irish novelist whose days in Africa inspired "The Consul at Sunset" and other books depicting the decline of the empire, died in Dun Laoghaire on Sept. 7 after a short illness.

MAJOR: No Early British Return to the Rate System

(Continued from page 1)

should only involve itself in areas where the Community could act more effectively than individual governments.

Furthermore, Mr. Major insisted that the ERM would have to be revamped before Britain could think of re-entering the system.

At this juncture few observers profess to be able to see any logic in Britain quickly beating a path back to the ERM. "Having been through

all the pain of the past week I don't think that the government will be any hurry to put its head back in the vice by re-entering the exchange rate mechanism," said Kevin Gardiner, chief economist at Warburg Securities.

But the problem now confronting Mr. Major's government is to find some credible alternative.

"The chancellor of the Exchequer has had less than a week to make a new economic rudder and

doesn't have one by the end of today's debate he will have to go."

Nonetheless, British economists and businessmen alike were generally elated to be free of the strict controls of the ERM. "Our view is that we are disappointed that we came out of the ERM, but now that we are out the government should take the opportunity to stimulate recovery," said Neil Williams, head of economic policy at the Confederation of British Industry.

Aid to Moscow Linked to Pullout

Reuters

WASHINGTON — The Senate Appropriations Committee has voted to link much of U.S. aid to the former Soviet Union to a pull-out of troops from the Baltic states.

It also approved \$12 billion requested by the Bush administration for a U.S. contribution to the International Monetary Fund, which is helping Russia reform its economy.

The actions were taken in drafting a \$14.3 billion foreign aid bill for the year starting October 1 that includes \$10 billion in housing loan guarantees for Israel. The guarantees, to be spread over five years, had been held up for nearly a year by a dispute over Israel's settlements policy on the West Bank.

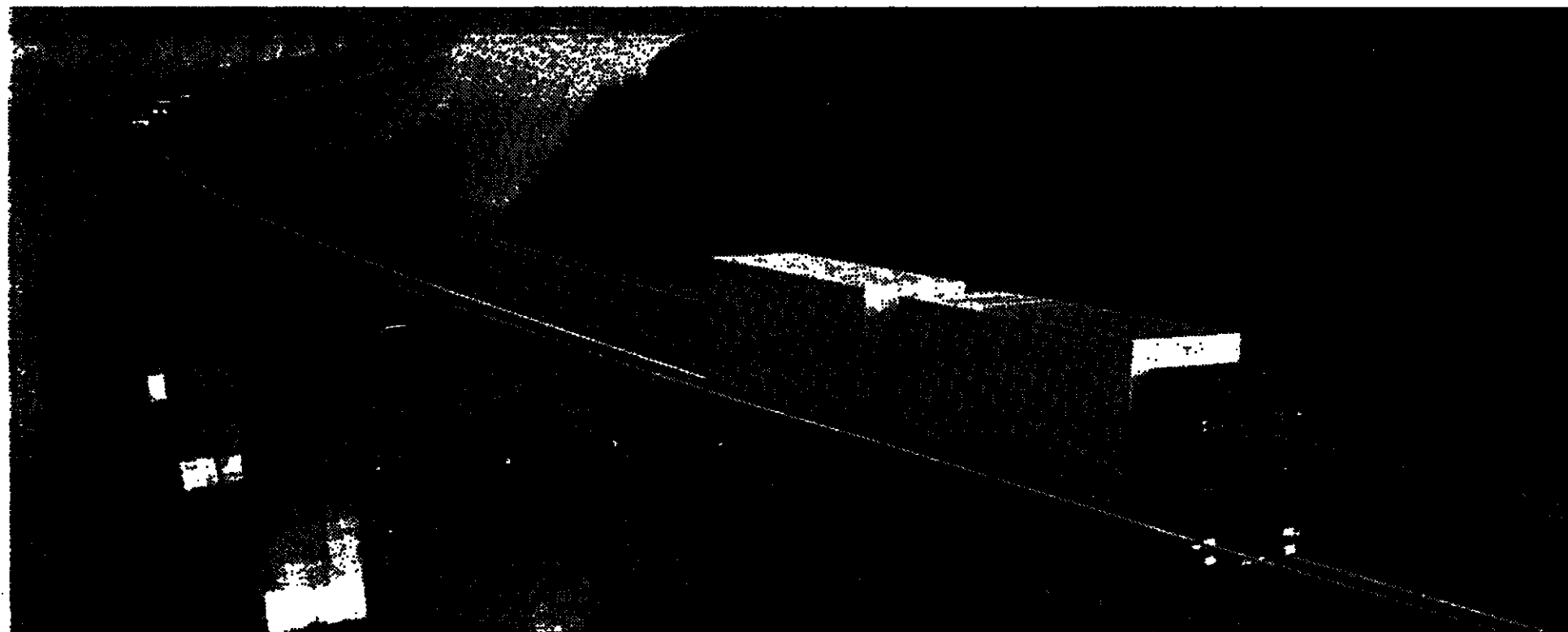
"attach it," said Richard Conquest, chief economist at Daiwa Institute of Research in London, "but if he



DOWN TIME — An inmate at a jail in Toulouse on Thursday, when guards at about 100 of France's 182 prisons returned to work on the 13th day of a strike. They demanded better security after the recent killing of a guard.

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JAPAN: A Guilty Plea Is Expected

(Continued from page 1)

be tacitly admitting that he lied last month when, in resigning as vice president of the party, he said that an aide accepted the money for distribution to ruling-party candidates running for re-election. In fact, according to the news reports, Mr. Kanemaru's statement to the prosecutors will admit that the money was solely for his own political use.

For the past several weeks Mr. Kanemaru has been virtually locked in his apartment in a wealthy neighborhood of Tokyo, with Japanese reporters, small bands of protesters and riot policemen surrounding the building's modest gate.

While the Japanese public is accustomed to financial scandals involving prominent politicians, what has startled people in this case is the growing evidence that the

yakuza, Japan's organized crime groups, were used by Mr. Kanemaru and other leaders of the Liberal Democratic Party to silence critics and funnel money back to the party's coffers.

In a country where plea bargaining is virtually unheard of, and where suspects can almost never evade a "request" from prosecutors to answer questions — even though there is no subpoena in Japan — Mr. Kanemaru has somehow succeeded at doing both.

Prosecutors appear to have given up hope of getting him to answer questions about his relationships with organized crime figures.

There are some indications, however, that prosecutors agreed to take the statement and move for a "summary indictment" because they feared a more serious charge of bribery would not stick.

CLINTON: Improving the Image

(Continued from page 1)

called "Home" to chat about the campaign, but also to talk about being a parent; she fielded questions with a group of other mothers during a regular advice feature called "Club Mom."

Later, in a flurry of satellite interviews with local television stations, she told one reporter after another, "I want to be a voice for children in the White House."

Mrs. Clinton says she has simply learned to provide a context for her life. Ms. Clarke, among many other observers, sees a simpler explanation: The Clinton campaign simply "pulled her back" into a more traditional role for a first lady candidate.

In the current psychosocial minifield, it is probably not surprising that the Republicans stepped on a few mines in Houston.

Kathleen Hall Jamieson, an expert in political communication at the University of Pennsylvania, has been conducting focus groups throughout the year to monitor what voters retain about the campaign.

She said she was struck, in the aftermath of Houston, that one phrase above all others was retained by many of the women in her groups: Marilyn Quayle's comment that "most women do not wish to be liberated from their essential natures as women."

Ms. Jamieson said: "The level of hostility toward her and that speech was very high. I think there was some resentment at someone standing up and telling women what choices are and are not appropriate for them."

The speech was widely taken as a lightly veiled attack on Mrs. Clinton, an attempt to create an unflattering contrast between the full-time careerist (Mrs. Clinton) and the woman who quit her legal practice to help her husband and raise her family (Mrs. Quayle).

Mrs. Quayle, in a recent article for The New York Times, said that her speech was in no way meant to criticize working women, and was badly misinterpreted.

In general, there were strong reasons for the Republicans to back down: Recent polls showed big ma-

majorities rejecting or ignoring the case against Mrs. Clinton presented at the Republican convention; a Times-Mirror poll released on Thursday showed that 73 percent of those who followed these criticisms said they disagreed with them. And a majority of women now work outside the home.

ARMS: Submarine Sales

(Continued from page 1)

are to provide power and will be under international safeguards. But Washington had urged Moscow not to make the sale because it fears that Tehran will not keep its commitments and is seeking to develop nuclear weapons.

"What it all means is that the Russians will sell anything to anybody to earn hard currency and to keep production lines going," said Norman Polmar, an expert on naval forces, referring to the submarines. "It also shows that Iran again wants to be a regional power."

The United States asked Moscow not to proceed with the sale.

The Russians maintain that the deal with Iran was agreed to before the breakup of the Soviet Union and that Moscow was obliged to fulfill the contract. Pentagon officials said. They added that the first of the subs recently left Riga, Latvia, where Russians have been training an Iranian crew for a Russian naval base in the Baltic area, apparently in preparation for its trip to Iran.

Russia has already sold 12 of the Kilo-class subs to India, Algeria, Romania and Poland. They are equipped with six tubes for firing torpedoes or laying mines.

Nonnuclear submarines use their diesel engines to operate on or near the surface and to recharge their batteries. When fully submerged and operating on the batteries, the submarines run all but silent. The British searched in vain for an Argentine diesel submarine over a 30-day period during the Falklands War.

هكذا من الأصل

Akihito Asked to Apologize Students Support Chinese Demands

Agence France-Press
BEIJING — Chinese university students on Thursday joined a growing movement to press Emperor Akihito of Japan to apologize for World War II atrocities and to agree to reparations.

Student representatives from three of Beijing's leading universities tried to deliver an open letter to the Japanese Embassy here, but gave up and returned to campus after about 20 uniformed policemen moved in.

It was the first time since pro-democracy demonstrations in 1989 that students have attempted to openly protest. The heavy police presence clearly signaled the government's concern.

The students on Wednesday also launched a petition campaign aimed at gathering support on Beijing campuses and had already collected signatures at Beijing University, People's University and Beijing Normal University, three of the most active in the 1989 Tiananmen Square protests.

Students staged anti-Japanese demonstrations in September 1985 that the authorities moved quickly to nip in the bud.

The open letter demanded that Akihito "publicly apologize for crimes" committed during Japan's 1931-1945 occupation of China, when an estimated 20 million Chinese were killed or injured.

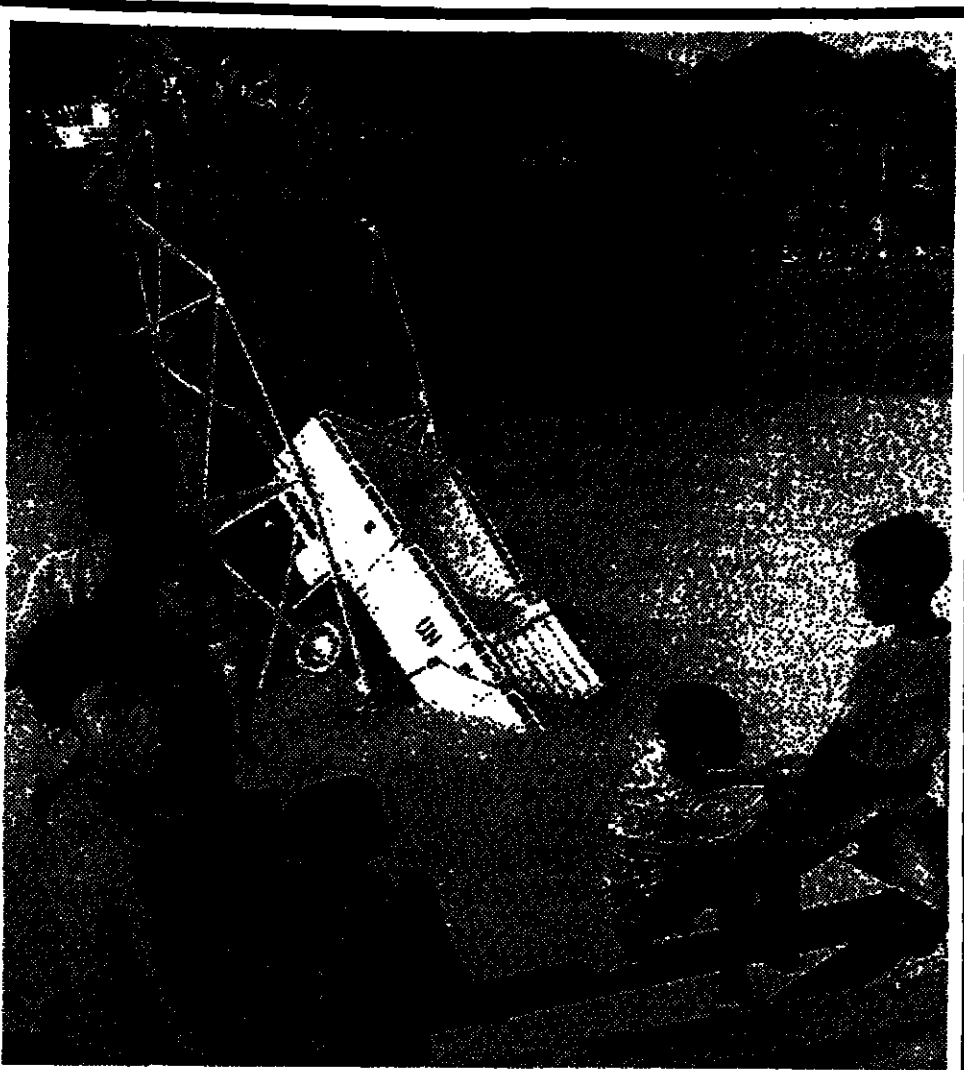
It also called on the Japanese government to unconditionally make "reasonable" war reparations and withdraw from a disputed island group in the East China Sea.

Akihito, the son of the wartime emperor, Hirohito, is scheduled to begin a six-day visit to China Oct. 23, the first ever by a Japanese emperor. The Chinese government has said it would not ask him to apologize.

Beijing formally dropped its demands for war reparations when it established diplomatic relations with Tokyo on Sept. 29, 1972.

But a grassroots movement has rekindled the issue, arguing that the Chinese people still have the right to seek damages.

A new group, the Chinese Popular Committee for Japanese Reparations, was formed Sept. 15 and has already collected more than 300,000 signatures for a petition demanding \$180 billion in reparations, its organizer said.



WRECKAGE AS PLAYGROUND — Children playing on a broken bridge at the Cambodia-Thailand border Thursday. A United Nations vehicle fell through the wooden bridge last week.

ASIAN TOPICS

New Islamic Bank Is Indonesia's First

Indonesia, the world's most populous Muslim country, now has its first Islamic bank. The Associated Press reports from Jakarta. Bank Muamalat Indonesia has an initial capital of about \$52.4 million. President Suharto is listed as one of the bank's 23 "founding fathers."

Establishment of the bank is widely seen as one of several moves by Mr. Suharto to rally support for his secular government in traditional Islamic circles. He also made his first pilgrimage to Mecca last year.

Islamic banking is based on a verse of the Koran forbidding usury. Instead of charging interest on its loans, the bank gets a

fixed percentage of the borrower's profits.

Eighty-eight percent of Indonesia's 180 million people are Muslims. Indonesia is a secular state, however, with no official religion. Promoting a change to an Islamic state is against the law. People convicted of being Muslim radicals have been sentenced to death or long prison terms.

But the rise of Islamic consciousness has prompted Mr. Suharto to make several concessions in recent years. Islamic courts have been established to hear family cases. Women students in state schools are allowed to wear veils in class.

Around Asia

For India's border guards along the Rajasthan desert frontier with Pakistan, stray camels ambling through the haze have become more than a familiar part of the barren landscape. Some of the animals have been found to be carrying packages of

heroin strapped to their stomachs. Anti-narcotic officials say the "homing" camel is a new twist in smuggling and one that, given the vastness of the frontier, is difficult to combat. "This one has stumped us," a senior intelligence official conceded. A Western diplomat said, "The concept of homing camels is unique in the world." The camels are trained to head for a certain destination where they presumably are rewarded with food and water.

With a growing United Nations peacekeeping presence in Cambodia, some people are naming their babies after UNTAC, the UN Transitional Authority in Cambodia. The acronym has a pleasant sound in the Khmer language. One parent said those who name their children Untac want them to be "powerful like UNTAC, and drive around everywhere in fast cars like UNTAC."

Arthur Higbee

U.S. Focuses on MIA 'Discrepancy Cases'

By Barbara Crossette
New York Times Service

WASHINGTON — On May 18, 1965, when the U.S. war in Indochina was still in its early stages, Captain David L. Hrdlicka, an air force pilot, was shot down in an F-105D over Laos. He walked away from the crash and into oblivion.

There is evidence he survived. The Communist Pathet Lao who apparently captured him took pictures. One appeared in Pravda in Moscow and in a daily newspaper in Hanoi; another was later displayed in a Laotian museum. His arrest was announced on the radio. The Pathet Lao also broadcast a tape recording, purportedly made by the pilot, asking for pardon and release.

In Washington, Captain Hrdlicka was registered as a prisoner of war, an early entry on a list that would contain hundreds by January 1973, when Hanoi and the United States signed a peace agreement.

Captain Hrdlicka was not among the 591 U.S. servicemen returned by Hanoi in Operation Homecoming. Like Private First Class Jon Sparks, ambushed in central Vietnam; Lieutenant Ronald W. Dodge, who ejected from an aircraft over North Vietnam, and dozens of other servicemen and a few civilians in official custody, Captain Hrdlicka became a "discrepancy case."

His name was placed on a non-comprehensive list of 82 servicemen who inexplicably did not return, to be presented to Hanoi a few months after the Paris peace treaty negotiated by Henry A. Kissinger, President Richard Nixon's national security adviser and later secretary of state. The Vietnamese never responded to requests for information.

Amid the blizzard of documents circulating in Washington as the Senate Select Committee on POW-MIA Affairs tries to narrow and identify the number of Americans who may have been left behind in Indochina when U.S. forces were withdrawn, that just-declassified 1973 list has become another piece in an unfinished puzzle.

In hearings this week, Nixon administration officials have sparred over what was known in 1973 about the missing, reflecting confusion and controversy.

None of the officials, including Mr. Kissinger and two former secretaries of defense, Melvin R. Laird and James R. Schlesinger, were able to say categorically that no Americans had been left behind.

In dispute was whether anyone could confirm that Americans were alive in captivity when the United States withdrew. Hanoi had denied access to its prisons to the International Committee of the Red Cross.

Separate investigations by the Defense Intelligence Agency and the Senate Select Committee indicate that there are still between 100

and 200 discrepancy cases awaiting attention by Hanoi or the Laotian government.

But the two lists, while similar in length — 133 for the Select Committee, 135 for the Pentagon — are not the same; only about 40 names appear on both.

When Operation Homecoming began in early 1973, the United States listed 1,929 servicemen as POW-MIA. About 1,100 others were classified as KIA-BNR — killed in action, body not recovered.

All people lost in covert operations were apparently on those lists, including 150 to 200 whose places of death were falsified to hide their presence in Cambodia or

Laos, where Americans were not supposed to be.

Nixon administration officials have said repeatedly this week that these figures do not mean there were large numbers — if any — of live prisoners identifiable absolutely by name and location when U.S. forces were withdrawn, only that there were a significant number known to have survived a crash or capture. Hanoi has consistently maintained it held no U.S. prisoners after 1973.

Nearly all officials involved with the POW-MIA issue are certain that no Americans have survived. Many family members believe otherwise.

Officially, Washington still lists

2,266 Americans as unaccounted for in Indochina, more than half the cases involving unrecovered bodies. Of the remainder, the Defense Department says Hanoi could help explain at least 80 to 100 of its 135 discrepancy cases.

What officials are looking for in these cases is not living Americans. They are looking instead for explanations of what happened to those who did not come home.

Some cases have been closed by Hanoi. The remains of Lieutenant Dodge, of whom Vietnamese officials denied knowledge in 1973, were later returned without explanation. His story has become a symbol of the mysterious behavior of Vietnam on the issue.

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CREATING THE RIGHT CHEMISTRY



Angola Disrupted by Violence As General Election Nears

By Kenneth B. Noble
New York Times Service

LUANDA, Angola — With national elections less than a week away, a wave of violence apparently intended to disrupt the voting has swept through Angola.

Diplomats and political analysts said most incidents appear to have been started by supporters of the National Union for the Total Independence of Angola, known as UNITA, which has been fighting the Popular Movement for the Liberation of Angola since the latter seized power in 1975.

UNITA officials said their troops were provoked by government forces.

UNITA emerged from the bush in May 1991, after a cease-fire mediated by the United States, Portugal and the Soviet Union, and is furiously struggling to convert itself from a tenacious guerrilla army into a political party.

The United States channeled hundreds of millions of dollars in

weapons and other aid to UNITA to offset the large-scale backing the Luanda government had received from the Soviet Union and Cuba.

The Angola radio said that heavily armed UNITA troops had taken over an airport in Cuito, in the central province of Bie. UNITA loyalists were also reported to have captured a plane operated by the national airlines.

The radio said the troops had threatened to shoot down any aircraft trying to land or take off, a report that UNITA officials have denied.

Earlier, UNITA officials said its forces in Bie had captured 11 police officers after what they said was an attempt to assassinate the UNITA leader, Jonas Savimbi.

The state radio also reported that 13 people had been killed over the weekend in political violence, including eight in a clash between the police and UNITA supporters in the eastern city of Luena.

A similar eruption took place in Viana, 24 kilometers (15 miles) east of the capital, where at least four people were believed to have been killed by UNITA loyalists.

U.S. officials monitoring the campaign for parliament and the presidency say they are still confident that conditions are ripe for fair elections on Tuesday.

While many of the incidents "have been serious," said Lois Coarini, a State Department official, "to this time the parties have demonstrated the will to control the situation."

There has been no independent verification of the incidents, and UNITA officials said they were victims of unfair coverage by the government networks and papers.

In several instances over the last few weeks, videotapes were clearly edited to flatter President José Eduardo dos Santos and inflate the size of his rallies and to make Mr. Savimbi look less imposing.

Starving Somalia — Can the Body Politic Survive?

By Keith B. Richburg
Washington Post Service

MOGADISHU, Somalia — Just over 30 years after it officially became an independent nation, Somalia essentially has ceased to exist. The land mass on world maps that defines the horn of Africa is now a dangerous and chaotic scene of clan-based warfare, feudal fiefdoms, marauding freelance gunmen and widespread famine that kills thousands each day.

As international efforts expand to rescue 1.5 million people from imminent starvation caused by drought and civil war, many Somalis, relief workers and foreign analysts are turning their attention to an even more difficult, long-term question: Can the state that was once Somalia ever be pieced back together?

Some Western analysts say the answer lies in democracy. Many Somalis say that only a new military strongman can harness the warring clans. Some see a future nation built on traditions — the system of village elders, or the pillars of Islam, the religion of the vast majority of Somalis.

Others say the United Nations must establish a trusteeship over the territory. Still others are asking whether there even

should be a united Somali state and propose instead a loose confederation of autonomous clan-based regions.

"It is in fact necessary to try to restore a nation-state with a centralized government," asked Said Samatar, a native Somali who is a professor of African history at Rutgers University. "Would it not be legitimate to work with the many states that have emerged? Who says it is the natural condition of human beings to live in centralized states?"

The emergence of several Somali clan-states already appears to be a reality. The formerly British-ruled north, dominated by the Isaaq clan, has declared itself the independent Somaliland Republic, with its capital at Hargeisa. The northeast is now in the hands of a sub-clan that has established a state within a state, while the south-central region stretching to the Kenyan border is controlled by another sub-clan, led by General Mohammed Farrah Aidid.

Mogadishu, the capital, is a divided city, with separate economies, currencies and administrations. The north end of the city, controlled by President Ali Mahdi Mohammed's sub-clan, is circulating its own

"new shillings," at a rate of 35,000 to the dollar. It has some semblance of order and a uniformed police force.

The south side of the capital, under a General Aidid, uses the old Somali shilling, at 7,500 to the dollar. Here there are more incidents of random violence, more orchestrated looting of relief supplies and more armed young men outside the clan leadership's control.

The questions about Somalia's political future are more than academic. Without some form of governmental authority, Somalia is likely to be a perpetual ward of the international community, living off relief and relegated to anarchy.

Andrew Natsios, President George Bush's coordinator of Somali relief efforts, said: "If we don't start putting something together, we will be there forever, and we can't have the resources to be there forever. It doesn't help anybody for countries to be in the constant relief mode."

Somalis seem rarely to agree on anything, but they do seem united on the idea that democracy as a solution is a long way off. "Military rule can run this country, but democracy, no," said Mohammed Sheikh Ali Jumale, a lawyer and advertis-

ing executive. "Maybe we will be ready for democracy in 2,000 years."

"The whole idea of a territory with defined borders and a central government is a Western idea," said T. Frank Crigler, a Washington-area consultant who was U.S. ambassador to Somalia from 1987 to 1990. "I think the Western state idea is an artificial imposition on the Somali people."

When Mohammed Siad Barre ruled Somalia from 1969 to 1991, he was able to hold the state together through repression, but as the West pressed him to make political and economic reforms, Mr. Crigler said, "we took away one of his most important tools — his repressive abilities."

As rebels opposing Mr. Barre closed in on the capital, the artificial Somali state unraveled, and Somalis were left in essentially their precolonial condition — a collection of regionally based clans, newly laden with modern arms.

Those searching for building blocks on which to construct a new Somalia see possible renewal of such traditions as the system of village elders and the Islamic faith. "Maybe Islamic fundamentalism is the key to it," Mr. Crigler said.

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Bush Iran-Contra Denials Under Attack

Compiled by Our Staff From Dispatches
WASHINGTON — George Bush, while vice president, became an influential "advocate" of separate arms deliveries to Iran for each freed hostage at a critical stage of the Reagan administration's covert dealings with Tehran, according to Richard V. Secord, the chief logistics officer for the operation.

Mr. Secord's allegations, contained in a new book distributed Thursday at a press conference here, could add to the credibility problems confronting Mr. Bush on the Iran-contra scandal as the presidential campaign heats up. Mr. Bush has repeatedly said he was not a decision maker in the Iran-contra affair and once described himself as having been "out of the loop."

"Bush has claimed to have been 'out of the loop' with respect to the Iran initiative. That's absolutely false," said Mr. Secord, a former air force major general who ran covert arms

pipelines to Iran and Nicaraguan rebels for the Reagan White House.

Meanwhile, Howard Teicher, a former National Security Council staffer, said on ABC News's "Nightline" that "I myself briefed the then-vice president several times" about the Iran initiative.

In still another development, informed sources said a note among the papers of Casper W. Weinberger refers to a meeting attended by Mr. Bush when Mr. Weinberger, then defense secretary, expressed opposition to covert arms sales to Iran.

The note, which appears to contradict Mr. Bush's repeated assertion that he was never present when Mr. Weinberger or George P. Shultz, then secretary of state, objected to the covert sales, was among classified documents being reviewed for Mr. Weinberger's upcoming trial.

Mr. Secord said Mr. Bush nudged the initiative for secret arms sale to Iran forward

after being briefed by the head of Israeli counterintelligence, Amiram Nir, during a July 1986 visit to Jerusalem.

A White House spokeswoman, Judy Smith, reacted to Mr. Secord's remarks by saying, "There is no truth in his allegation" and that the matter has been fully looked into, CNN reported.

The spokesman for Governor Bill Clinton, the Democratic presidential nominee, demanded Thursday that Mr. Bush "come clean with the American people" on his administration's dealings with Iraq and Iran.

"Time after time," George Stephanopoulos said, "his administration secretly deals with dictators and terrorists, to the detriment of U.S. interests. Then, when the policy blows up, Bush and other officials deny the facts and try to cover up. When it comes to Iraq, like Iran-contra before it, Bush's flat denials are consistently refuted by the evidence."

(WP, Reuters, AP, IHT)

Pentagon Finds Flaws In Wings Of C-17 Jets

By Ralph Vartabedian
Los Angeles Times Service

LOS ANGELES — A Pentagon investigation has found serious defects that could result in premature cracks in the wings of the McDonnell Douglas C-17 cargo jet — potentially the most severe problem yet in the long-troubled program.

The flaws, revealed in a report obtained by the Los Angeles Times, have prompted questions about the safety of the aircraft. Remedying the problem would significantly increase the program's cost and further delay production.

The investigation by the Pentagon's inspector general means more bad news for the company's Douglas Aircraft unit in Long Beach, California, where thousands of workers have lost their jobs in recent years.

The air force plans to buy 120 C-17s for an estimated \$40 billion. The program is already about \$1 billion over budget, a cost borne so far by the company, and development of the C-17 is more than a year behind schedule.

Potential safety risks resulting from the wing flaws and the cost to remedy the defects are not known, but the government is "not protected" financially and needs to urgently conduct testing to determine the extent of the problem, according to a memorandum to air force officials attached to the report.

The investigation found that the quality standards for the C-17 did not comply with government requirements.

Israeli-Syrian Talks Wind Up Without Major Breakthrough

By Jackson Diehl
Washington Post Service

WASHINGTON — Israel and Syria ended the latest round of Middle East peace talks here Thursday without achieving the breakthrough that both governments last week saw as possible and that had stirred excitement and apprehension around the Middle East. Israeli and Arab officials said.

Israeli negotiators had made the negotiation of a joint Israeli-Syrian statement of principles their key goal in the current round of talks, and Syrian spokesmen said last week they would be willing to draw up the document. This prospect was seen by American officials as a potential breakthrough in the 10-month-old negotiations and held the promise of a historic step by Israel and Syria toward mutual acceptance.

Although significant differences remain, the atmosphere and tone of the talks were "infinitely better than before," The Associated Press reported from Washington, quoting Israel's chief negotiator with Syria, Itamar Rabinovich.

"For the first time the parties became engaged," he said. "We dove into deep water, into the main issues."

All four sets of Arab-Israeli talks will resume Oct. 21, he said. Negotiators from both sides said Thursday that this was the first round since the talks began in October in which the sides engaged in real negotiation.

The Israeli-Syrian talks have become the focus of attention in the overall Middle East negotiations, which also include talks between Israel and Jordan, Lebanon and the Palestinians. To some extent, how-

ever, the negotiators appear to have fallen victim to initial success, officials said.

Signs of progress earlier this month, including a statement by Israel accepting the exchange of occupied Syrian territory for peace, prompted a stormy reaction in Israel from right-wing opponents of withdrawal as well as pressure on Syria from the Palestinians and other Arabs, who were eager that Syria not strike a separate agreement with the new left-wing Israeli government.

Israeli and Syrian officials said that while they had agreed on several key elements of a joint statement outlining a solution to their 44-year-old conflict, work had stalled over a so-far-intractable dispute about priorities.

Syria says it will not discuss the terms of a peace settlement until Israel commits itself to a full withdrawal from the Golan Heights it captured in 1967, while Israel says it will not discuss withdrawal until Syria makes it clear that it is ready to sign a formal peace treaty and normalize relations.

While expressing disappointment over that continuing standoff, spokesmen from both sides as well as American officials sought to strike a positive overall tone about the negotiations.

"Progress has not matched our expectations," said Mr. Rabinovich. "But if you look at the round as a whole, I'm pleased."

The Syrian foreign minister, Farouk Shara, meeting at the United Nations with Acting Secretary of State Lawrence S. Eagleburger, told reporters that his government was prepared for "total peace" with Israel in exchange for "total withdrawal."

A senior American official said after the meeting that while he "didn't see anything new in that formulation," Mr. Eagleburger had "heard something interesting" from Mr. Shara that would be conveyed to Israel and that might have an impact on future rounds of negotiation.

Syrian officials said Israeli negotiators had pledged to "reformulate" their position before the next round of talks, raising hopes that the current stall can soon be overcome.

Bush and Baker Differed on Iraq in '90

By Elaine Sciolino
New York Times Service

WASHINGTON — As the Bush administration was trying to preserve its friendship with President Saddam Hussein of Iraq just before he invaded Kuwait, Secretary of State James A. Baker 3d was urgently warning that Iraq was secretly using American technology in its huge arms buildup, according to government documents.

Mr. Baker's warning, aimed at tightening restrictions on the sale of U.S. technology, occurred at the same time that the administration was still privately assuring Mr. Saddam that the United States wanted better relations.

The mixed signals suggested that the administration was torn over how to deal with the Iraqi leader as evidence that the relationship had turned sour increased.

The documents, made public this week by Representative Samuel Gejdenson, Demo-

crat of Connecticut, also provided evidence that seems to contradict President George Bush's public assertions in recent months that the United States did nothing to enhance Iraq's nuclear, chemical, biological or ballistic missile programs.

In his statements, Mr. Bush seemed to be saying that the government itself did not make military-related sales to Iraq.

But from 1985 to 1990 the two administrations approved the sale of \$1.5 billion in technology and equipment that had civilian and military use through a complicated licensing procedure.

On July 25, 1990, as Mr. Saddam was massing tens of thousands of troops on the Kuwaiti border, Mr. Baker sent a one-paragraph note to Robert A. Mosbacher, who was then secretary of commerce, urging the imposition of new controls on the sale of equipment and technology that could contribute to Iraq's arms programs.

The letter was based on a memo he received six days earlier drafted by the heads of four State Department offices explaining the need for new export controls.

"Iraq's extraordinarily aggressive weapons proliferation efforts make this situation urgent," Mr. Baker wrote.

On the same day Mr. Baker sent the letter, April C. Giassie, the U.S. ambassador to Iraq, was assuring Mr. Saddam in a meeting in Baghdad that Mr. Bush had instructed her to "broaden and deepen our relations with Iraq."

Mr. Saddam also said he wanted American friendship, "although we will not part for it," he told the ambassador.

On July 28, five days before Mr. Saddam moved into Kuwait, Mr. Bush sent him a similarly warm response.

"My administration continues to desire better relations with Iraq," Mr. Bush said.

Rabin Runs Into a Public Opinion Roadblock Over the Golan Heights

By Clyde Haberman
New York Times Service

JERUSALEM — Selling the Israeli public on the possible need to give up part of the Golan Heights is proving to be more of a challenge for Prime Minister Yitzhak Rabin than it had seemed when he raised the idea two weeks ago.

At first, most Israelis accepted Mr. Rabin's land-for-peace proposal with surprising equanimity, apparently trusting that the former General Rabin was not about to strike a deal with Syria that would compromise national security.

But as peace talks continue inconclusively in Washington, Israeli opposition to territorial concessions has percolated and expanded, setting in motion a national debate on Israel's disputed territories that has acquired a sense of urgency not felt in years.

Whether that urgency is warranted is another matter, for nothing tangible seems likely to happen for a while.

Mr. Rabin reportedly told a parliamentary committee that "large-scale decisions" were at stake and they would have to be made at a higher level than the negotiating teams in Washington.

His comments added fuel to recent reports, played down by Israeli officials, that the United States and Egypt are trying to arrange a meeting between Israel's leader and President Hafez Assad of Syria.

Despite occasional bursts of optimism that the two countries are nearing a breakthrough, a lot must still be done to bridge the gulf between Syria's demands for return of the entire Golan Heights and Israel's insistence on a full-blown peace treaty that, in the prime minister's words, "can stand on its own two feet."

Not surprisingly, the 12,000 Jewish settlers with homes and livelihoods on the Golan are generally against any territorial concessions.

Most of them voted for Mr. Rabin's Labor Party in the Israeli election in June, and some feel

betrayed now by the prime minister, who in his campaign had played down the possibility of giving back land to Syria and instead had emphasized that Israel would "never come down" from the Golan Heights.

Hundreds of Golan protesters demonstrated outside parliament on Monday, including some chanting, "Rabin is a traitor!"

Other Golan settlers plan to march this week to Jerusalem. Ten days ago, Israeli negotiators returning to Washington for the peace talks were sent on their way accompanied by jeers from several thousand anti-government protesters at the airport.

In parliament, the rightist Likud party, toppled by Labor in June and still something of a shambles, has managed to galvanize itself on this issue.

It demanded and won a special parliamentary session that was broadcast live Monday and gave its leaders a national audience for their assertions that the Rabin government was endangering Isra-

eli security by even thinking about giving up a piece of the Golan.

The result, Likud said, would be a meaningless peace treaty that would not stand on its own and would instead find Israel on its knees.

One of the few studies to what the public at large may be thinking was an opinion poll published last Friday by Yediot Aharonot, the country's largest-selling newspaper.

In the survey, 50 percent said that under no circumstances would they yield any part of the Golan, while 34 percent said they would give back but a small part. Only 6 percent said they would hand it all back.

The arguments raised are hardly new, focusing on familiar questions of whether the Golan Heights still have the same strategic value in an age of Scud missiles, whether Mr. Assad is a man of his word, whether Israel can sign any accord with a dictatorial government that can never assure continuity of policy.

But the debate has a conspicuously different texture from the more familiar disputes of recent years over the occupied West Bank and Gaza Strip.

When it comes to the Golan, the fights are for the most part over cold security questions and not the ideological claims to God-given land or the anguish of military occupation that go far to define the Israeli-Palestinian conflict in the West Bank and Gaza.

And unlike many West Bank settlers, Israelis on the Golan acknowledge that they are likely to give in if the government orders them off the land and not take a defiant stand, as some settlers did when Israel gave Egypt back its last piece of Sinai 10 years ago.

In that sense, Golan residents are probably more typical of average Israelis than West Bank settlers are. So the pain they now feel may be more widely shared by other Israelis than the unhappiness of West Bank residents who also feel they have been wronged by the Rabin government.



Hans van Oosterom, Executive Vice President Strategic Planning Akzo:

This small

"Dealing with Akzo means dealing with business units who are right in the forefront of their chosen field. So it may surprise you that we haven't the slightest inclination to become one of the world's largest chemical companies. We much prefer to be big in the areas we choose. Yes, we make acquisitions. But never just to grow bigger. Only if it adds value to our existing operations. Yes, we penetrate new markets. But only if we're pretty sure we can do a better job than the competition. We don't want to be the biggest. We do want to be the best. And for that, you have to create the right chemistry."

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CREATING THE RIGHT CHEMISTRY **AKZO**

INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

Float or Get Together

As Europeans bitterly assess the damage, this month's wave of currency speculation continues to churn up the markets. Episodes like these are immensely costly to governments...

Time for UN Reforms

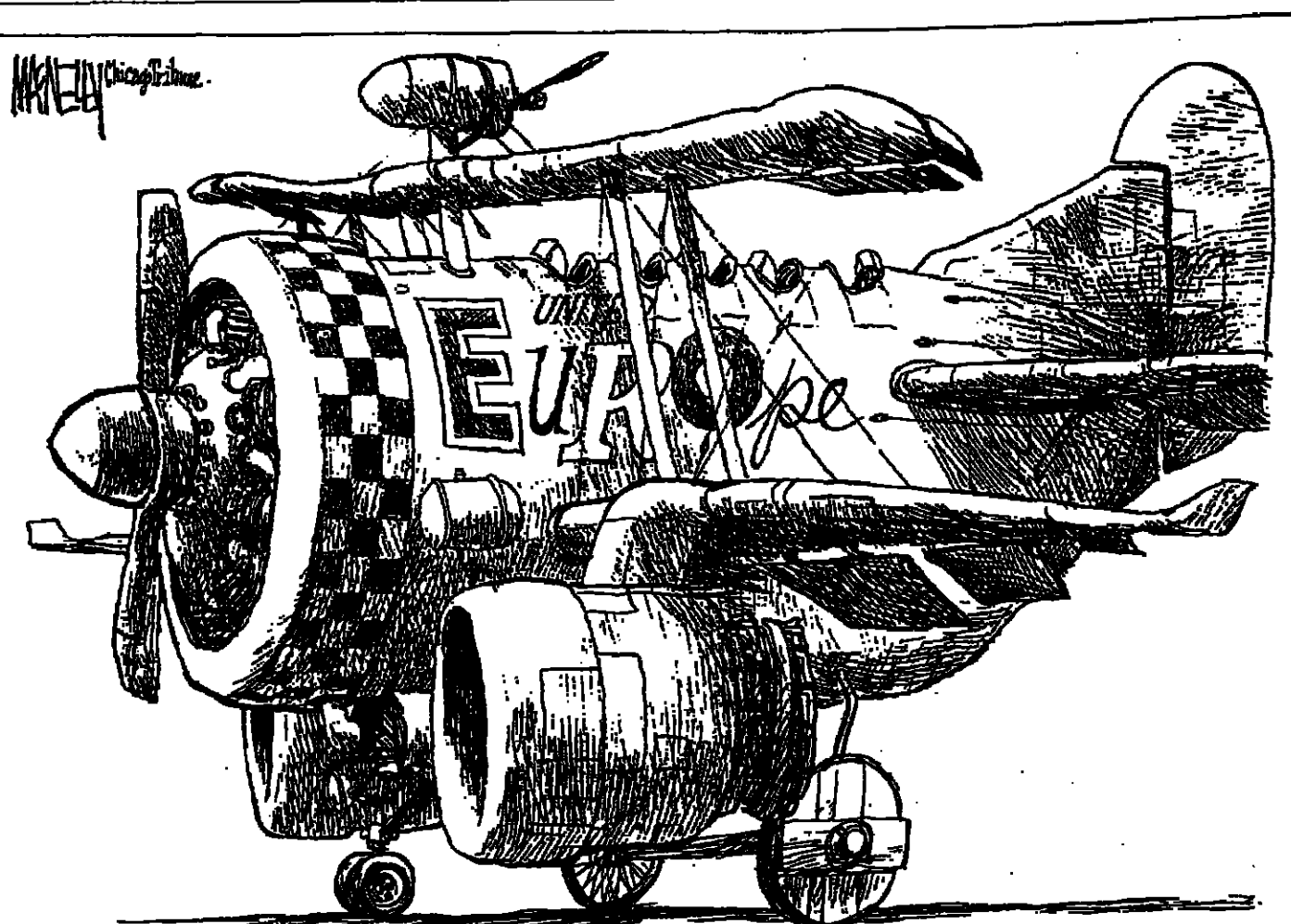
In this post-Cold War dawn when immense new responsibilities are being heaped upon the United Nations, it is necessary (however disheartening) to learn of the structural and managerial inadequacies that diminish that still vital organization...

Leave for the Family

In a late-night veto designed to escape attention, President George Bush has rejected a family leave bill that guarantees time off, without pay, to workers dealing with family or medical emergencies...

Other Comment

Europe After the French Vote: Although the French finally approved the referendum on European union, the discussion in France and Europe shows the force of nationalities. U.S. Bush Needs to Choose: U.S. attitudes toward the United Nations have changed from the suspicion of its leftist, Third World tilt during the Reagan years...



Toward Union, Maybe More Slowly but Still Surely

PARIS — It was a chilling lesson for smug politicians who had taken voters for granted. But, obituaries on European monetary union, the Treaty of Maastricht, indeed the whole European movement after the squeaky thin French vote to ratify are more than premature. They've got it wrong.

Nuclear Testing Is an Issue to Take Seriously, Now

BERLIN — The issue of a nuclear testing moratorium may sound hopelessly arcane and narrowly military, but it is not. It is likely to influence the world balance of power. That is why the Pugwash Conferences on Science and World Affairs, meeting recently in Berlin, addressed a letter to President George Bush in which it urged him to support the initiatives on nuclear testing taken by France and Russia...

IAEA as Policeman: Out of Its Depth

WASHINGTON — "Is it O.K. to talk about this stuff while he's here?" the Iraqi nuclear weapons expert inquired of an American inspector from the United Nations. He was another inspector, from a country without atomic weapons. The Iraqi was proud of his accomplishments, and sensitive to the danger of allowing his knowledge to leak out. The other inspector left the room.

In Service Of Himself Abroad

By Leslie H. Gelb NEW YORK — George Bush was not at a political rally in Pittsburgh or San Diego on Monday when he recalled his military career, backhandedly rebuking Bill Clinton for failing to serve, and then proposed revamping U.S. foreign aid to create 40,000 new U.S. jobs. No, he was plugging his own campaign in New York — in a solemn speech before the United Nations General Assembly, of all places.

INTERNATIONAL HERALD TRIBUNE KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER Co-Chairman LEE W. HUEBNER, Publisher JOHN VINOCCO, Executive Editor...

IN OUR PAGES: 100, 75 AND 50 YEARS AGO 1892: Imperial Fashion PARIS — That "the old order changeth" holds true in regard to the fashions of the coming season in a double sense... 1917: Kerensky at Risk PETROGRAD — The attitude of M. Chernov, who was Minister of Agriculture in the Lvov Cabinet and who has assumed the direction of the Soviet government...

Handwritten Arabic text: كذا من الاموال

OPINION

That First Patriot Scored a Hit — on a Cloud

By Ben Sherwood

NEW YORK — In the dark morning hours of Jan. 18, 1991, Lieutenant Colonel Leroy Neel and his Patriot air defense battalion spotted a single blinking "track" on their radar display. A target — presumably one of Saddam Hussein's Scud missiles — was on its way to Dohran. At 4:28 A.M., following well-rehearsed procedures, the team fired a Patriot missile that corkscrewed 17,000 feet (5,200 meters) into the sky, disappeared behind the clouds, and detonated in a flash. The blip vanished from the screen.

Just 24 hours into the allied air campaign, the Patriot had scored what was hailed in the news media as a historic knockout: the first defensive missile ever to destroy an offensive missile.

While the Patriot's reputation has been considerably sullied since the Gulf War, the first shot of Jan. 18 remains untarnished, a defining moment embedded in the country's consciousness.

Jittery Americans found comfort in this televised triumph, and the word "Patriot" evoked an aura of high-tech security. For the Raytheon Company, principal manufacturer of the Patriot, the story of the first shot has been particularly useful in fending off attacks on the Patriot's effectiveness.

But like other Patriot "hits" that were acknowledged to have missed, this bullethead never happened. According to government and other sources, there was no Scud speeding toward Dohran on the morning of Jan. 18. And today, with U.S.-Iraqi relations tense and at least six Patriot batteries deployed in the region, the real story of the Patriot's first shot is a reminder of how "good news" originates and spreads in times of war.

The "good news" was announced on Jan. 18, when General H. Norman Schwarzkopf was seen on the morning news, briefing a room of reporters in Riyadh. Seven Scuds had been fired earlier in the day against Israel, the general said, and one had been lobbed at Dohran. "The one Scud missile that was fired against Dohran was destroyed by a United States Army Patriot missile,"

General Schwarzkopf proclaimed. "As a result," he continued, "I think to date we can say that the enemy Scud campaign has been ineffective."

In fact, each Scud launched during the war was detected and reported by a web of intelligence satellites hovering above the Middle East. Using infrared sensors, so-called Defense Support Program satellites would detect hot flames and gases from burning missile rockets. The satellites would, in turn, provide early warning to U.S. troops and Patriot batteries. On Jan. 18, although they

The 'success' of the missile fired on Jan. 18, 1991, provided a defining moment in the war against Iraq. But the only victory was of hype and flash.

spotted seven Iraqi Scuds fired at Israel, the satellites did not detect a Scud launched toward Dohran.

Of course Colonel Neel's Patriot battery did "detect" something, if only a blip on the screen. But what the tracking information indicated was that the target came from one of two improbable places: the waters of the Gulf or Iran. The army ruled out these possibilities.

If the target's origin made no sense, its fleeting appearance on Patriot radar displays was even more confusing. On the morning of Jan. 18, the so-called Scud appeared on Patriot radar for mere seconds. In real Scud engagements, the targets appeared for a minute or more.

And, after launching, the Patriots sent back signals indicating whether they found their targets. On that first shot, the Patriot missile did not report back to its launching battery with a "Probable Kill" or an "Engage Fail" symbol.

Most probably, the "Scud" was a Patriot computer glitch. There were others. A day later, the army revealed that two Patriots had misfired because of computer problems. Toward the end of the war, the army admitted that another Patriot had misfired in Turkey. But the army stuck to its story about the first Patriot shot. In February 1992, the army told skeptical congressional investigators that it had found Scud debris from that first intercept with Cyrillic writing on it. The army claimed that a "definitive analysis" in Riyadh had confirmed that it was part of a Scud.

But under pressure from congressional investigators, the army retrieved the debris from a Raytheon employee who had taken it home as a souvenir. A piece was finally sent to the Missile Systems Command for analysis. The conclusion: It was not part of a Scud and there was no Cyrillic lettering on it.

Behind Pentagon walls, the army now regards the first shot as a non-event, as if the episode never occurred. The so-called kill has even been removed from the classified brief books detailing each of the 88 Patriot-Scud engagements of the war. When asked directly about the first shot, army spokesmen refuse to comment, citing classification rules and the potential threat to U.S. troops.

Meanwhile, with billions at stake in U.S. and foreign contracts, Raytheon is distributing a glossy promotional brochure describing the Jan. 18 "historic first." Company literature acknowledges that the missile did not perform flawlessly, but when challenged about the success of the first shot, Raytheon officials refuse to comment, referring inquiries to the army.

And the army has not been the most reliable source of information about the Patriot. During the war, General Schwarzkopf told reporters that "the Patriot's success, of course, is known to everyone. It's 100 percent."

In March 1991, army officials told Congress that the Patriot had intercept-

ed 41 of 42 Scuds. But under pressure from Representative John Conyers Jr., Democrat of Michigan, whose Government Operations Committee is investigating the Patriot, the Pentagon has been forced to cut its estimates of Patriot success. In April 1992, the army said that more than 70 percent of Patriot engagements in Saudi Arabia and more than 40 percent in Israel were "successful" — figures revised down from 80 percent and 50 percent.

But congressional investigators are not persuaded of even that. They say the army's confidence in the Patriot is not supported by the classified evidence. In April, The Washington Post reported, a senior army official said that the Patriot might have knocked out 24 Scuds of the more than 80 fired, with only about 10 of those "warhead kills." Others have questioned even that number.

Of 159 Patriots fired during the Gulf War, the first shot hit nothing — but it did more than all the others to define the Patriot in the American mind. If anything, the facts have been further buried by Raytheon's publicity effort and by army classification rules. On Jan. 18, hype and flash won the day. Next time, one hopes, a lone blip on the screen will not be twisted into the stuff of myth.

The writer is a producer for the investigative unit of ABC News' "PrimeTime Live." He contributed this comment to The Washington Post.

Single Motherhood Is a Bad Bargain

By Maggie Gallagher

NEW YORK — After 10 years as an unwed mother and six years of writing about family issues I would like to share my personal recipe for single motherhood.

It is too late for Murphy Brown, but after all, she is only a fictional character who does not matter so much. But it may not be too late for the many young professional women I interview

MEANWHILE

who are actively contemplating raising children outside of marriage. If you're thinking of unwed motherhood, it helps to:

1. Have relatively affluent parents who got and stayed married themselves. That way you can rely on their marriage, rather than your own, to give your child the emotional and financial emergency support system that he or she needs.

2. Be able to choose a profession with flexible hours that allows you to take time out and work from home, and be sure to get a degree from an Ivy League school first.

3. (This one is especially tricky.) Find a boss who does not mind if you bring a sick 4-year-old and his dinosaurs to the office, which will happen. Accept that, even if you make a good living, you are going to have far

less money than anyone you know — except other single mothers. 5. Expect to give up all the advantages of single life — freedom, romance, travel — and receive none of the advantages of marriage — emotional, logistical and financial support.

6. Prepare for the nights when your child cries himself to sleep in your arms, wondering why his father doesn't love him. (If your child is allowed to express his real feelings, there will be many such occasions.) In other words, even if you are lucky enough to find yourself in the most privileged circumstances, unwed motherhood is a bad bargain, whether planned or unplanned.

When Glamour magazine recently asked its readers to describe "the highs and lows" of being single moms by choice, fully half expressed serious regrets. It is an even worse bargain for the children. Vice President Dan Quayle was right on target when he said that marriage is the best social program ever invented for the protection of children. The evidence on this is now overwhelming. (To cite only one of many statistics that back up this claim, single mothers are six times more likely

to be poor than married mothers are.) As impressive as the body of evidence is, it does not capture the true costs of the collapse of marriage.

Even the middle children in single-parent households who grow up with all the material accoutrements of a middle-class family are being deprived of one very precious and irreplaceable thing: a father. And, as Murphy Brown would find out if she were a real person and not a Hollywood fantasy, children not only need a father, they long for one, irrationally, with all the undiluted strength of a child's hopeful heart. To raise one's own child without a father may, at times, be a painful and tragic necessity, but it should never be just another life-style option. Before we can address the real problems that single mothers and their children face, we must admit that there is a problem. We have to stop pretending that all choices are equally good — that single motherhood is just an alternative family form and that fathers are just another disposable new item in the nursery.

The writer is a senior fellow at the Center for Social Thought and author of the forthcoming book "The Abolition of Marriage." She contributed this comment to The New York Times.

LETTERS TO THE EDITOR

Victims, Second Class

Regarding "Germany to Deport Gypsies" (Sept. 18) by Marc Fisher:

Parallel to the extermination of the Jews, the Nazis killed Gypsy men, women and children. In death camps, 500,000 died from hunger, cold, disease, torture, medical experiments, mass shootings and gassings.

After the war, the German Federal Republic undertook to atone for the deeds of its predecessor regime. It paid indemnities to individual Jewish survivors or their descendants. For those who could not enter a claim, the whole family having perished, the German government paid lump sums to Israel that totaled 85 billion Deutsche marks (\$57 billion) by 1991.

No such compensation was given to the Gypsy survivors. Individuals were dealt with in a windy bureaucratic manner. There was no lump sum payment for those who perished. The Gypsies had no powerful advocates or lobby. Their claims were buried. With the fall of the Soviet empire and the rise of chauvinism, Gypsies there were once again singled out for aggression. They fled westward, many of them to Germany.

Now, the German government has chosen to deport the Gypsies to the countries from which they had fled.

A German writer, Ralph Giordano, has said: "We cannot have first-class and second-class victims of the Nazis. There cannot be a hierarchy of the persecuted... I demand the same treatment for the Gypsies as for Jews."

JACOB SUHL, Portimão, Portugal.

If Democracies Change

The European Community should urgently confront an important piece of unfinished business: how to deal with a member whose government turns undemocratic. Clear guidelines exist for assessing candidates for membership, but nothing for how to react if one of the democracies suddenly changes its stripes. Recent hints that more than one-third of Germans might vote for the far right lead weight to the matter. Should any EC member, powerful or weak, move to such an extreme, it should face full ostracism and draconian sanctions.

ROBERT F. ILLING, Porto, Portugal.

The Citizen in Wartime

Regarding "Lower That Bloody Shirt and Let the Nation Heal" (Opinion, Sept. 17) by James Fallows:

Mr. Fallows writes that only those who went to Vietnam and those who openly refused to go have the moral right to stand in judgment of those who took an "easier" way out.

Really? Many of us who went did not make a "brave choice," as Mr. Fallows writes. In fact, we made no choice at all, for it had never occurred to us — and nothing in our experience or education would have led us to believe — that this was something about which we were being asked to choose.

Many of us went to Vietnam unquestioningly. We had been raised and taught to be "good Americans" and it

took years of demonstrations by the anti-war movement to teach some of us what we had not heard at home or in school: that being a "good citizen" means above all deciding for oneself where the "common good" lies, and then acting on that belief.

In April 1971, four years after I returned from service with the Marine Corps in Vietnam, I joined 1,000 other members of Vietnam Veterans Against the War in throwing my Vietnam medals and ribbons on the steps of the Capitol. In those four years I had learned to become a better citizen — not because I was now against the war (although I still believe that position was the correct one) but because I had become a thinking and acting citizen.

Blind service, in short, is no substitute for active citizenship, and it bestows moral superiority on no one.

RONALD C. FAUST, Frankfurt.

Prussia and the Kurils

Japan's interest in recovering the four southernmost Kuril islands, which were lost to the Soviet Union at the end of World War II, now threatens to scuttle an opportunity for normalized relations between Tokyo and Moscow.

At the conclusion of the war, Germany lost what remained of East Prussia, Pomerania and Silesia. During the reunification talks, the world was outraged when certain political groups within Germany were reluctant to disavow Germany's territorial claims to former German lands in Poland.

This is not to condone that conduct, but only to question why Germany's behavior with respect to its lost territories is considered to be outrageous by so many while conduct of the same nature by Japan is treated with relative indifference.

WILLIAM R. ROHRBACH, Laren, Netherlands.

Bosnia for All Bosnians

Regarding "Horror Built on Deception" (Opinion, Aug. 15) by José Gutiérrez:

The Sarajevo agreement of March 18 was signed by leaders of the three main parties in Bosnia. It was unfortunately an impetus to war, as it called for the following elements, among others: • Bosnia as an independent state with three "constituent units" — like Swiss-style cantons, but with no set borders.

• Three national police forces. • Three different monetary units and systems. What country has this? • Three national anthems and flags.

Within two weeks of the agreement, irregulars from Serbia entered Bosnia, killing hundreds of civilians. The existing agreement could not be a good platform for any country: It leads to Bosnia's inevitable partition. It should be declared null and void by the United Nations, and a new agreement drawn up by impartial outsiders.

I think that, to follow the American example, we all have to be Bosnian, no matter where we come from. We should all respect one law, one flag and one anthem. We must have one monetary system, one police and one army. We must all have equal rights and oblige-

ment's complacent attitude toward science funding — not inadequate salaries. ANTHONY R. REES, Bath, England.

Racially Correct

Regarding "Director Válek: Shelves Film on Frida Kahlo" (People, Aug. 20):

The suspension of Luis Valdez's film project because of objections to the non-Hispanic ancestry of Laura San Giacomo, who plays the role of Frida Kahlo, would probably have struck the artist herself as ironic.

As is reflected in some of her works, Frida Kahlo enjoyed analyzing the duality of her own ancestry. True, she was born in Mexico, but her parents were a German Jew and a Mexican mother of mixed Spanish and American Indian descent. Does this mean that to be truly "politically correct," an actress with Ms. Kahlo's identical genetic make-up must be found?

It is unfortunate that in their fervor to prevent this film from being made, those who opposed the casting of Laura San Giacomo as Frida Kahlo are preventing a capable actress from bringing to a wider audience the fascinating life story of a talented and passionate artist.

ELIZABETH SEE-THO, Singapore.

Up (Yellow) Periscope

Regarding "Peter Max Back in Creative Motion" (Art, Aug. 15):

The article credits Peter Max with designing "Yellow Submarine." This ground-breaking animated film, which featured the music of the Beatles, was the inspired creation of one of the graphic arts' most fertile imaginations, that of Heinz Edelmann.

ALAN DAVID SHEAN, Dun, France.

Ask Them About the Iraqgate Cover-Up

By William Safire

CHICAGO — Some realistic Senate Republicans, aghast at the prospect of Mario Cuomo or Robert Morgenthau as attorney general, have decided that it would be better to have a nonpartisan special prosecutor look into the Iraqgate scandal. That is why they are joining Carl Levin, a Democrat, and Bill Cohen, a Republican, in backing that law's extension.

I believe that a grand jury will be empaneled next year to probe James Baker's backdoor financing of Saddam Hussein's war machine. It will take sworn testimony about how officials of the Departments of Agriculture, Commerce and State and the White House lied to Congress, altered and shredded evidence, and conspired to conceal these acts.

That Iraqgate grand jury will target Attorney General Dick Thornburgh and William Barr and their henchpersons to determine if — influenced by Secretary Baker and Brent Scowcroft, in the furtherance of George Bush's infamous National Security Directive 26 — they obstructed justice.

I could be wrong; Iraqgate could be swept under the rug, just as Mr. Barr has tried to do in refusing Con-

gress's call for independent counsel. But if my conjecture is accurate, here are a few of the lines of inquiry the grand jury will pursue:

1. After it became known that Iraqi officials were stealing from U.S. grain financing, did Mr. Baker and Mr. Scowcroft, with the intent of resuming sales to a corrupt and noncreditworthy borrower, prevent public disclosure of the suspension of the program?

The Senate Agriculture Committee chairman, Pat Leahy, this week obtained the answer to a question I submitted 30 months ago. "Fear of offending the Iraqis," he writes, "motivated the Department of State and National Security Council from announcing a suspension." Evidence: Alan Raul, the Agriculture Department counsel, wrote on April 2, 1990, that State had asked that Agriculture "not use the term 'suspend.'"

Notes taken by a Treasury Department official reveal that one month later Mr. Scowcroft called Agriculture Secretary Clayton Yentler "and asked him not to put out press release

today saying terminating program."

2. As part of a conspiracy to conceal the misdirection of funds, did government officials conceal or shred documents? "Our research indicates," writes Senator Leahy, that Mr. Scowcroft "also sent a letter about the Iraqi GSM program to Secretary Yentler that day. USDA has not provided us with any such document." Mr. Yentler is suspected of taking this evidence of intervention with him to his White House seclusion.

On evidence suppression, a grand jury will ask: In the FBI raid on the Atlanta branch of the Banca Nazionale del Lavoro, were the visitors' sign-in book and the branch manager's desk calendar seized? If so, were they destroyed or mislaid?

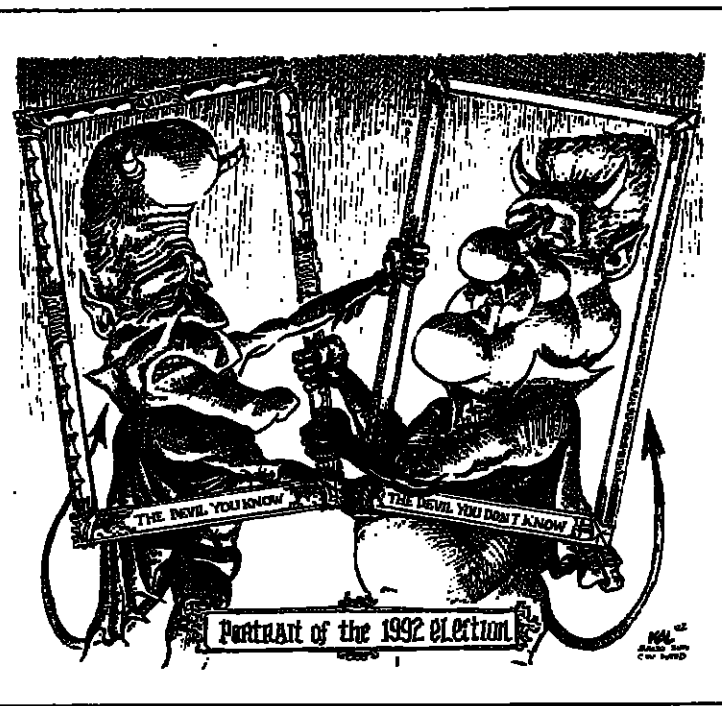
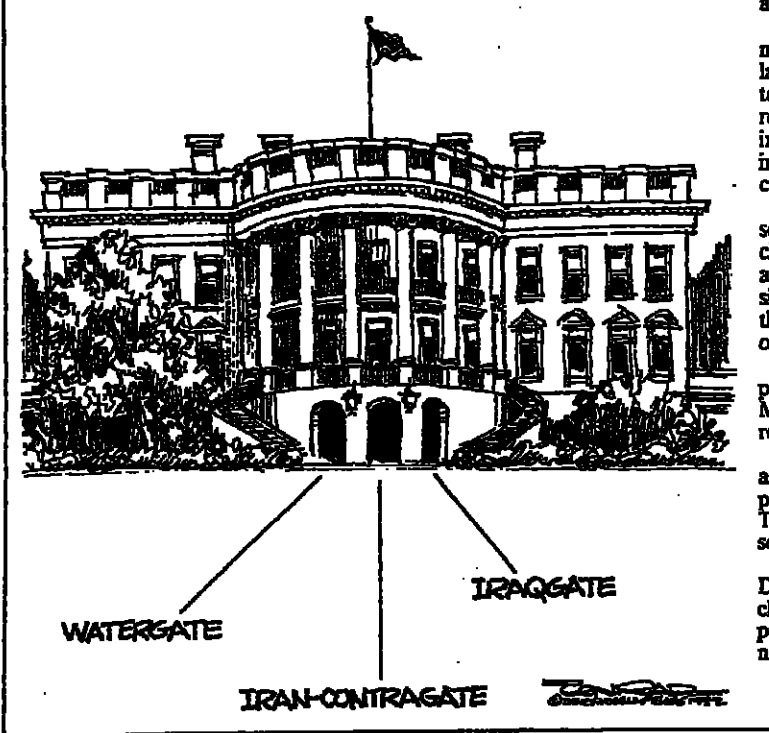
3. In their campaign to "build a wall" to keep the investigation from stopping the flow of funds to Baghdad, did Bush administration officials influence Atlanta prosecutors? Although Mr. Barr has generously forgiven the White House for two improper calls to the harassed prosecutor, a less partisan investigator will ask White House counsel Boyden Gray: Did he know of the first call, yet permit another inquiry from on high into a local criminal prosecution?

Mr. Baker will be asked: How many times did his lawyers call Atlanta to discover prosecutorial intent? Did he receive reports of these repeated intercessions? Did he use his inside knowledge of a criminal case to induce Mr. Yentler to ignore his fiduciary responsibility?

CIA chief Robert Gates, who has sought to silence the House Banking chairman, Henry Gonzalez, will be asked: Did none of America's expensive "big ears" pick up any evidence of the multibillion-dollar secret financing of Iraqi arms purchases?

When were the first intelligence reports of Iraq's abuses forwarded to Mr. Baker and Mr. Scowcroft, as they resisted a cutoff of funds to Saddam? Cover-up-General Barr will be asked, among much else: Why did the prosecutor, Gail McKenzie, tell Thomas Baxter of the Federal Reserve to butt out of her prosecution? Who then prevailed on the Treasury Department to tell the New York Fed chief, E. Gerald Corrigan, that this politically sensitive investigation was none of the Fed's business? Quite a case. Can't wait.

The New York Times.



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It's Much Easier (But Not Easy) to Visit Mongolia

By Nicholas D. Kristof
New York Times Service

ULAN BATOR, Mongolia — Out on the steppes, where the prairies stretch endlessly until they melt into mountain crags on the horizon, there's not much sign of the last few million years of human civilization. At most, one sees an occasional rutted dirt road or a shepherd's tent exhaling a plume of white smoke from a cooking fire made of cow chips. Mongolia, after all, has been in a funk for the last seven centuries.

Idologies come and go, but few tourists do, and the United States did not get around to establishing diplomatic relations until 1987. Last year only 282 American tourists visited the country. The lack of tourists, though, is simply another advantage of a nation that is rich in history, hospitality and unspoiled scenery.

THE starting point for almost all visitors to Mongolia is Ulan Bator, the capital. About half of Ulan Bator is made up of the tired gray concrete buildings that are the legacy of communism from East Berlin to Vladivostok. The streets are broad, suitable for military parades, and most people get around by foot or by bus. Public bus rides are a bargain, less than half a cent a ride, and they are a good way to explore the city.

Square, a Mongolian version of Red Square in Moscow. It is a vast plaza with a central statue of Sukhbaatar, the architect of Mongolia's 1921 revolution. Herdsmen come from all over the country to have their photo taken on the square, as a souvenir of their visit.

The former palace of the Bogd Gegeen, Mongolia's god king who died in 1924, is a museum these days. But, in accordance with Buddhist beliefs, a man who is said to be a reincarnation of the Bogd Gegeen has been found in India and has been confirmed by the Dalai Lama. It is possible that he will return to Mongolia and reclaim his palace. The palace is a 30-minute walk from the center of Ulan Bator, so it is simplest to go by car. Taxis are extremely scarce, and expensive when found, so normally the process is simply to stand at the side of the road and flag down any car coming along.

FROM Ulan Bator there are three important destinations in the countryside. Karakorum, the ancient capital, is the most important historically and culturally and also the easiest to reach. It is less than a day's journey by hired car.

A Library for World's Nobodies

By Christine Chapman

BURLINGTON, Vermont — Every unappreciated writer in the world has a friend in Vermont at the Brautigan Library.

Woman who flew from Paris to Burlington in August to consider placing her book there. Because Brautigan liked the word mayonnaise, the library uses the Mayonnaise System of shelving books between jars of mayo in 13 classifications: Love, War and Peace, Humor, Family, Adventure, Street Life, Natural World, Spirituality, The Future, Social/Political/Cultural, Poetry, The Meaning of Life, and All the Rest.

THERE are diamonds in the rough to be found in The Brautigan's simple setting, a neat and narrow former used bookstore on College Street not far from the University of Vermont. At least one bigtime publisher is angling to bring out "A Brautigan Library Sampler," but Lockwood can only say that "it's looking better all the time." If he does, some names to look for are:

The Faces of an Era

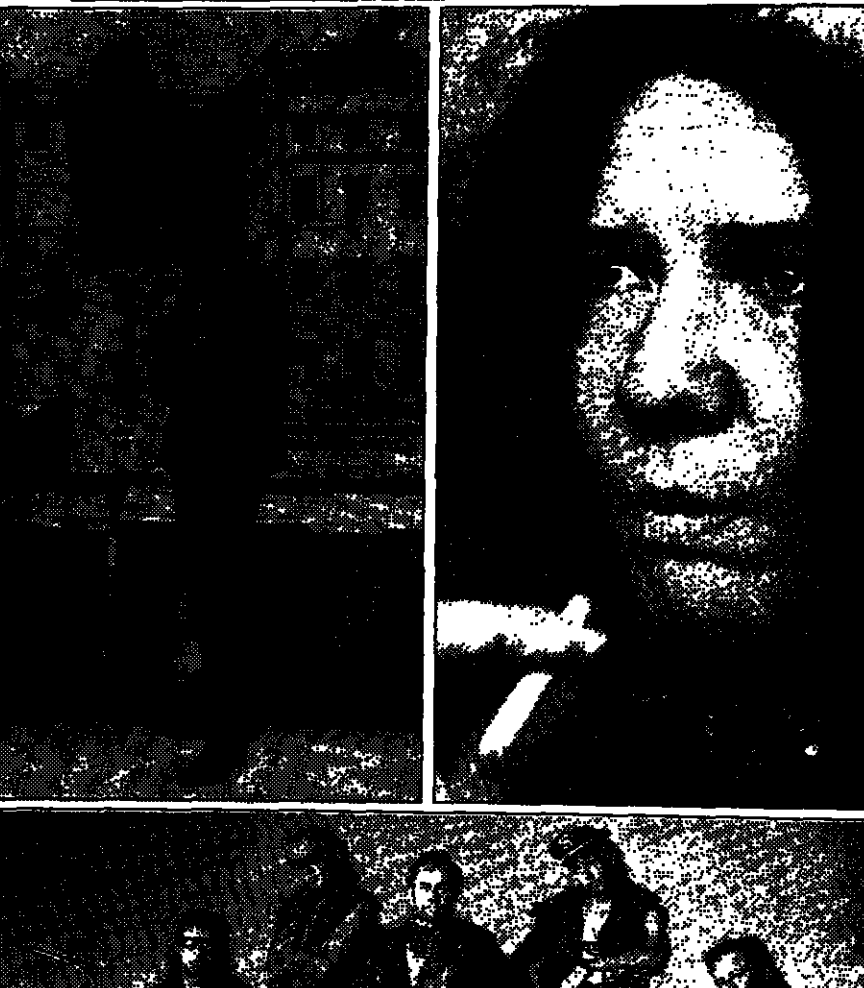
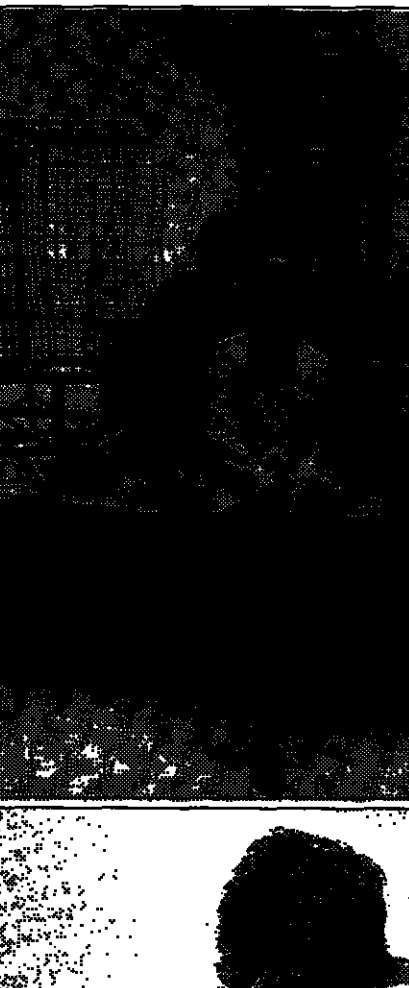
Linda McCartney's "Sixties" has just been published by Pyramid (London), and her pictures of an era go on display next month at the Royal Photographic Society in Bath. Among them, clockwise from top left: Aretha Franklin, the Beatles and Janis Joplin. In the same vein, there's just time to catch "Entertainers" at the Cromwell & Ward Gallery in London, an exhibition, through Sunday, of Gerard Mankowitz's work, including (continuing clockwise) Elton John, Keith Richards solo and the Rolling Stones.



Lockwood, a tall, blue-eyed man like Brautigan, without the handlebar mustache or the wire-rimmed glasses, has a mission and a sense of humor. The idea of bringing Brautigan's library to life haunted him for almost 20 years. "I've reread 'The Abortion' every year," said Lockwood. "It redefined the male in our society. We were in the middle of the shoot-'em-up macho era and I was not one of the guys out on the football field. I was a photographer, a piano-player, and I identified with the hippie librarian. In 1990, with some time on my hands as my recording studio neared its 10th anniversary, I decided to cross the line and start the library."

Good humor literally oozes out of The Brautigan, but not the books. They are one-of-a-kind, and it's not a lending library. Open for readers only on weekends from 11 to 5, it draws tourists, the library's own writers and would-be writers like the French

Writers range in age from 92 down to 13, with men and women equally represented, although women write more poetry," Lockwood said. "Half of them have tried to get published, others have no intention of bothering. What appeals is that The Brautigan flies in the face of the success-and-money idea of the last decade. Of course there's also the catharsis of getting the book off your back. We have a Canadian writer, Laura Borealis, whose motive for writing was as a celebration of the end of her writing career."



HEAR THIS
■ You probably didn't know that poets still worried about "selling out," you may even have thought poets were extinct. But, according to The Associated Press, Max Blagg, poet, is being criticized for reciting a poem in a commercial for The Gap. "I thought it was a chance to promote the power of the spoken word," Blagg said. "I don't think bluejeans are the worst thing you can promote."

Christine Chapman is a journalist who specializes in the arts.

THE MOVIE GUIDE

Lunes de Fiel (Bitter Moon)
Directed by Roman Polanski.
France.
Oscar (Peter Coyote) is an American in Paris, a writer who says he wants to be a new Hemingway or Henry Miller. He meets Mimi (Emmanuelle Seigner), a dancer, on the 96 bus. Transported to a kind of

sexual frenzy, they're soon into bondage with manacles and all the hardware of S&M home entertainment. Their passion spent, they take a bitter honeymoon cruise, ensnaring a young British couple (Hugh Grant and Kristin Scott Thomas) in their perverse scenario. From a 1980 novel by Pascal Bruckner that made a travesty of the sexual revolution, Polanski has made his own dark burlesque. It's curiously dated — although you're never sure what the date is — with moments that look as if Gene Kelly might appear to tap-dance among the whips and chains. But Polanski is really focused on those black depths and as his characters plunge, they smack off ridicule and gain a certain pathos.

Haruika Nostalgia
Directed by Nobuhiko Obayashi. Japan.
Many of Obayashi's films are about time and death. In "Futari" the elder sister returns from death to look after the younger, in "The Disincarnates," a man meets his dead parents just as they were when he was a child. In this new picture, a middle-aged writer of pulp fiction for young girls meets one of his fans, Haruka, who has an uncanny resemblance to a childhood sweetheart. Their meetings are spied upon by a young student who turns out to be the writer himself when young and who much regrets that youth has been turned into worthless fiction. As the writer becomes more and more aware of his personified past, he begins to understand that the girl is really the daughter of the lost love. When the girl gives herself to him, it is as though the past again lives. But time presses on. At the end, the old writer, his childhood banished, hands his finished book to Haruka's now grown daughter. We see the cover. It is called: "Haruka Nostalgia." Though long — 165 minutes — the picture holds with seriousness and intensity. If from time to time, it threatens to turn into the kind of popular romance the errant writer is producing, it always remembers to step back. At its finest it is moving; at its least interesting, Henry James in Harlequin Romance land.

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Husbands and Wives
Directed by Woody Allen. U.S.
Well, then, what about the movie? Woody Allen's "Husbands and Wives" is a very fine, sometimes brutal comedy about a small group of contemporary New Yorkers, each an edgy, self-analyzing achiever who goes through life without much joy, but who finds a certain number of cracked satisfactions along the way. The film is Allen's uproarious answer to Ingmar Bergman's far more solemn but no less bleak "Scenes From a Marriage." "Husbands and Wives" is actually scenes from two marriages, one on the rocks as the film begins, the other in a kind of stasis, set in a uniformly

upscale Manhattan. It's also an ensemble piece acted to lacy perfection by a remarkable cast headed by Judy Davis, Sydney Pollack, Mia Farrow, Juliette Lewis, Liam Neeson and Allen, who's also the writer, director and ringmaster, as well as his own best friend. In a crunch, Allen comes through for himself. With "Husbands and Wives" he has made a movie that's so strong, wise and exhilarating that it should be able to weather the chaos of accusations, gossip, public statements and dirty jokes attending its release. A movie, after all, is fiction, and with fiction you can never be sure what really happened. Or, as a bright student of creative writing says in "Husbands and Wives," writing (meaning fiction) "is just a trick." Or is it? That's the question that haunts this new movie and sometimes clouds the screen. If "Husbands and Wives" were less of an achievement, it might be impossible to watch. It's sorrowful enough without real life hurting in.

ACROSS
1 Miller Sebastian
4 "The Aha" —
Honeymoon,"
1914 song
8 Old Chinese
unit of weight
13 — mater
18 Author Ludwig
19 Restored to a
former position
19 He roomed with
Ruth
20 Sayers's
detective
22 River islet
23 Kind of poem
24 Storekeepers'
favorites
25 Takes up again
29 Gladstone
34 Cardinal point
36 Sheep's cry
37 Prokofiev work
41 Res. of Menlo
Park
42 Authentic
43 He wrote "A
Lonely Rage"

DOWN
1 Scientist Sagan
2 Delf item
3 Muslim ruler
4 Mal —
(headache in Le
Havre)
5 He loves: Lat.
6 Chomp
7 On the qui vive
8 Like a gull
9 Service people
of yesteryear
10 Sweetshop
11 A winning
margin
12 Joel or Zeno
14 Musical tempo
18 Cast-iron trying
pan
21 Value
24 Clan
subdivisions
25 Feature of some
skirts
26 Trencherman
27 Coty or Lacoste
28 Nasser's
successor
29 Armed vessel,
Brit. style
31 Half a Wash.
city
32 What yeggs
crack
35 W.W. II battle
site
36 Quebec
Coliseum, for
one
37 Get away
40 Saps
41 Congenitally
joined together
42 Commission
merchant
43 Dick Turpin's
Black Bess
44 "How now!
—?": Hamlet
45 Napoleon victory
site: 1796
46 N.C. college
47 Duck or color
48 Rochester's
Jane
49 Perused

Solution to Puzzle of Sept. 24

SPACES	ALGEBRA
CHROME	STORMIER
RACKET	HOMEBASE
ASHE	THEM EASTS
PEI PLEASANT	
EST LER	SETTEE
EGO DECK LAVE	
LACED ETA FERAL	
ACTS ODOR IDA	
CESTAS ERR NAP	
ANITA NEST HULL	
DEDICATE AMELIA	
DELOUSED PEDANT	
SPENSER ELYSEE	

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سكيا من الاجل

I T I S U R E



Val Gardena's Fight for Splendid Isolation

By Roderick Conway Morris

VAL GARDENA, Italy — Descending a steep winding forest path on the edge of a tumbling torrent, I come upon a solitary farmstead where a woman is on the balcony tending her geraniums. After chatting for a few minutes, I ask how she voted in the referendum. "We voted no," she says. "More cars, more people, more shifts. No thanks!"

"I mean," she says, indicating with a sweep of her arm a tiny nearby hamlet of most houses and barns scattered in the fields around an almost absurdly picturesque church, against a limitless backdrop of meadows, woods and mountains, "there just isn't enough space!"

The referendum, held last year, was on whether Val Gardena should host the 1997 Alpine Ski World Championships. Despite the fact that the valley stood to gain a great deal of money, the proposal was soundly defeated.

Val Gardena is in the South Tyrol, which was obtained from Austria by Italy at the end of World War I as a payoff for joining the Allied side (but which has recently won a considerable degree of self-determination as an autonomous province). The province remains nearly 70 percent German-speaking, with minorities of Italians and Ladins (the indigenous population that still speaks Ladin, an ancient Romance tongue).

The valley is known as Val Gardena in Italian, Gröden in German and Gherdeina in Ladin. The western end is German-speaking and the central and eastern part is a strong

hold of Ladin language and culture, with only a handful of Italians in either part.

For long splendidly isolated — there was no road into the valley until the second half of the last century — Val Gardena did, however, from the 17th century on, export its wares to the outside world: centered in Ortisei, its main village, the valley's hundreds of wood-carvers produced religious sculptures (mostly for the Tyrol), and diminutive wooden horses, soldiers, dolls and ingenious working toys, which were carried forth on backpacks by local peddlers, and reached Philadelphia and St. Petersburg.

Several hundred sculptors and toy makers are still at work today. These artists and craftsmen were at the forefront of the anti-championships campaign. Leander Moroder, a Ladin speaker who teaches the history of art at the valley's two art schools, was one of the founding members of "SOS Gherdeina," an ad-hoc organization founded to coordinate the opposition.

"There is nothing in the Italian constitution providing for referendums on local issues," said Moroder. "At first we were turned down flat. But then we fielded our own candidates in the local elections. We won 28 percent of the vote, and the authorities finally agreed to hold one."

Val Gardena was the venue for the 1970 Ski Championships. This previous taste of a mass influx of outsiders was important in swinging the vote, Moroder believes, especially since the 1997 version promised to be a much bigger and jazzier event. "If you've had no experience of such things, it's difficult to imagine what they're like," he said.

"Not that everything's perfect here, but there is still so much that is unspoiled and worth preserving. It's a quality and a way of life worth defending."

Even then, Moroder said he and his fellow campaigners were surprised that villagers at the high eastern end of the valley, who, unlike the peasant farmers and artisans in the rest of Val Gardena, rely almost entirely on tourism to make a living, should have also voted in such large numbers against.

But it is the farmers who are the ultimate guardians of this spectacular countryside, whose charms owe as much to nurture as nature. Around 16 percent of the working population of the South Tyrol still lives on the land — a very high figure for Western Europe — and these hardy, hard-working peasant proprietors are showing remarkable tenacity in maintaining traditional ways. Their reluctance to part with land for devel-

opment and their untiring cultivation of this precipitous landscape not only keeps it alive and productive but conserves it for all of us.

With so many alpine valleys besieged by traffic and disfigured by excessive building and a plethora of ski facilities (that render the summer landscape especially hideous), it is heartening to find such places as Val Gardena determined not to join the club.

If you do go to Val Gardena, be sure not to miss the Alpe di Siusi, a stiff hike or more leisurely ascent in a small cable car from Ortisei. This vast rolling flower-covered plateau, at an altitude of 1,800 meters (6,000 feet) and watched over by majestic Dolomite peaks, is the largest upland meadow in Europe.

Roderick Conway Morris is based in Venice and writes for The New York Times and The Spectator.

Traditional French Food, Without Fancy Settings

By Patricia Wells
International Herald Tribune

PARIS — The next time you begin to question whether there's a gram of gastronomic tradition left in France and whether you can still find a non-chic, authentic family restaurant in Paris proper, then reserve at A Souceyro.

Don't expect a red carpet, a chic clientele, a buddy buddy welcome. Anticipate, instead, what we found on our last meal: Food that is cooked, roasted, mijoté, old-fashioned fare that's full of flavor and character.

Here there's none of that "Let's try this one out on the customers tonight." Rather, you'll find a duck stew, or civet, where the meat has been cooked to its limits, meaning soulful and delicious. You'll find imaginative fare, such as wafers of celeriac topped by paper-thin slices of truffles, all sprinkled with lemon juice. The mousse of wild grouse was deliciously rich and aromatic, and filled with earthy flavors.

Even plebeian starters such as artichoke bottoms topped with mayonnaise and lobster — often dull and unimaginative — help one understand how classics remain classics. Desserts — warm cherries in cherry sauce, profiteroles, chestnut ice cream and a pear tart — are all delightfully old-fashioned, behind-the-times, delicious. What more can one say? Another everyday Parisian spot worth a

detour is L'Impasse, a small family restaurant with plenty of village-like charm. Neighborhood locals wander past the tiny two-room restaurant that spills out onto the sidewalk with a wave and a hello, while inside there's that gentle, even murmur of laughter and good times.

The cuisine is stalwart and traditional, with plenty of *blanquette*, *lapin*, calf's liver and *sole meunière*. But the menu makes just the right amount of forays into the present, with a satisfying gazpacho for the warmer months, or a basic platter of poached codfish served with a simple tomato sauce. This place is about as unfussy, as "tried and true," as they come. Do bring along a dose of patience, for service is a bit poky.

My single criticism is that the food shares the fault of so much pure homey fare, in that it lacks basic seasoning. But that doesn't stop me from coming back. The wine list is reliable, with a good Broquilly and Sumer-Champigny, and prices for wine and food are amazingly reasonable.

A Souceyro, 35 Rue Falguère, Paris 11; tel: 43.71.63.30. Closed Saturday, Sunday and August. Credit cards: American Express, Visa. A la carte, 300 francs.

L'Impasse, 4 Impasse Guilmont, Paris 4; tel: 42.72.88.43. Closed Sunday lunch and Monday. Credit cards: Visa. A la carte, 150 to 200 francs.

DO'S AND DON'TS

- Go Informed**
Do ask for information from the South Tyrol Tourist Office, Pfarrplatz 11-12, Bolzano, Italy. Tel: 471.99.38.08. Fax: 471.97.54.48
- Maps for Hiking**
Do buy a detailed map showing the paths for hiking (the one by Kompass is the best).
- Keep Off the Meadows**
Don't romp Julie Andrews-like on steep meadows. They are delicate and easily damaged.
- Certified Sculptures**
Don't buy sculptures without a Bozen Chamber of Commerce certificate and "Entirely Hand Carved" trademark.

THE ARTS GUIDE

- AUSTRIA**
Vienna
Kunsthofhaus (tel: 587.96.65). To Oct. 4: "God, Man, Pharaoh: 4,000 Years of Human Representation in the Sculpture of Ancient Egypt." About 250 works from European and North American collections.
- BELGIUM**
Brussels
Musée d'Art Moderne de Bruxelles (tel: 508.32.11). To Dec. 13: "L'Avant-Garde en Belgique, 1917-29." Concentrates on the early activities of the Belgian Surrealists.
- BRITAIN**
London
British Museum (tel: 323.8525). To Nov. 22: "Léonard's Paintings." This is the first of a two-part exhibition, comprised of 100 screens, hanging scrolls, handscrolls and albums, concentrating on the world of courtesans and gishes from the pleasure quarters in the city of Edo.
- CANADA**
Toronto
Museum for Textiles (tel: 598.5515). To Oct. 18: "Textiles by Junichi Arai." A master contemporary textile designer uses computers to create many of his works.
- FRANCE**
Chartres
Musée des Beaux-Arts (tel: 37.36.41.39). To Oct. 5: "Ince Art in the Museums of the City of Cuzco." Religious artifacts, ceramics and weapons.
Paris
Musée National des Monuments Français (tel: 44.05.79.86). To Nov. 15: "L'Art Renaissance La Ville." This exhibition covers a span of 20 years focusing on the relationship between city planning and contemporary art. It includes models, blueprints, photos and drawings.
- GERMANY**
Munich
Neue Pinakothek (tel: 238.05.195). To Nov. 19: "Collection of Count Aft-
- ANIS PSONSKI: Paintings of the Late Romantic Period.**
- IRELAND**
Dublin
The Irish Museum of Modern Art (tel: 718.8865). To Oct. 11: "O'Malley Collection." The collection of early and mid-20th century works include paintings by Jack B. Yeats and photographs by Helen O'Malley.
- ISRAEL**
Jerusalem
The Israel Museum (tel: 708.8111). To Oct. 21: "The Art of Leon Bakst." An assortment of works by the Russian artist and stage designer.
- JAPAN**
Gumma
Hara Museum (tel: 3445.0651). To Nov. 23: "Chile Today: Contemporary Art from Chile." Includes paintings, sculpture, prints, ceramics and photography.
Tokyo
Tokyo Metropolitan Museum of Photography (tel: 32.83.00.31). To Oct. 31: "Bursting Galaxies." Fae-
- ANIS Kusama Yayoi, a Mitsumoto (Nagano)-born artist who found her first inspirations in Georgia O'Keeffe. Her representative polka-dotted works have been praised by Frank Stella, Andy Warhol and many other artists.**
- NETHERLANDS**
Amsterdam
Stedelijk Museum (tel: 573.29.11). To Nov. 29: "Signar Polke." Polke has been said to be a part of a new generation of German artists who, following World War II, provided European art with new incentives. The exhibition includes 30 of his paintings from 1968 to 1986.
- SPAIN**
Barcelona
Fundació La Caixa (tel: 317.57.57). To Nov. 1: "The Avant-Garde in Catalonia." Focuses on the role and influence of Picasso, Duchamp, Miró and Dalí on international art.
- SWITZERLAND**
Geneva
Musée Barberier-Mueller (tel: 312.02.70). To Oct. 15: "Art from Benin." Bronze sculptures dating back to the 15th century.
Zurich
Kunsthaus (tel: 251.67.55). To December 13: "Gustav Klimt." Exhibition marking the 50th anniversary of his death. Also, "Ferdinand Hodler." Drawings of the artist from 1900 to 1918.
- UNITED STATES**
New York
Guggenheim Museum (tel: 423.3500). To Dec. 15: "The Great Utopia: The Russian and Soviet Avant-Garde (1915-1932)." More than 600 works including paintings, posters, architectural and typographical designs, theater costumes and porcelain, ranging from the spiritual idealism of Malevich to the dramatic realism of Tatlin.
Museum of Modern Art (tel: 879.5500). To Jan. 12: "Hervé Matisse: A Retrospective." Four-hundred-piece retrospective devoted to the popular French master, includes some of his most important paintings, complemented by a generous selection of sculptures, drawings, paper cutouts and prints.

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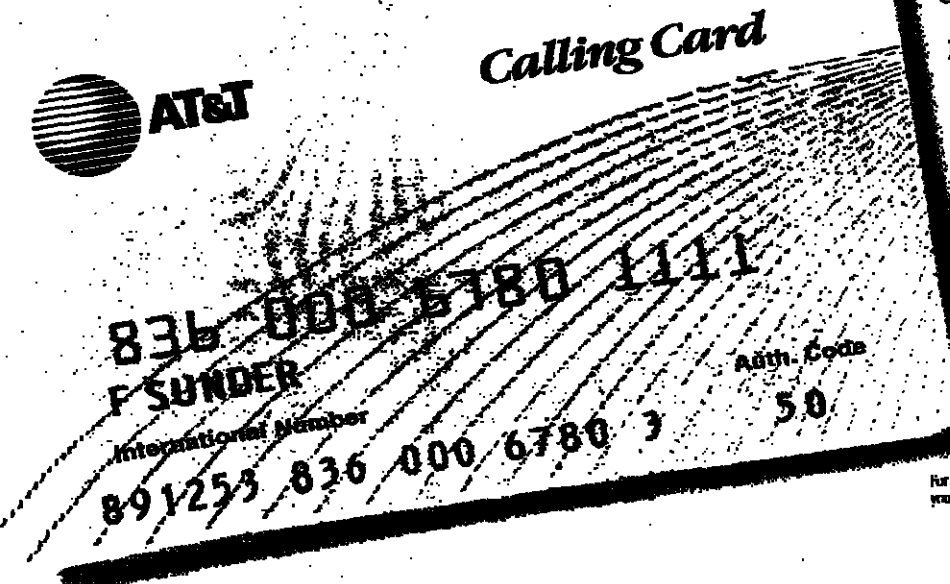
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EGYPT†	510-0200	HUNGARY	000-800-0111	PORTUGAL†	05017-1-288
FINLAND	9800-100-10	IRELAND	1-800-850-000	SWEDEN	020-785-611
FRANCE	190-0011	ISRAEL	177-100-2727	SWITZERLAND	155-00-11
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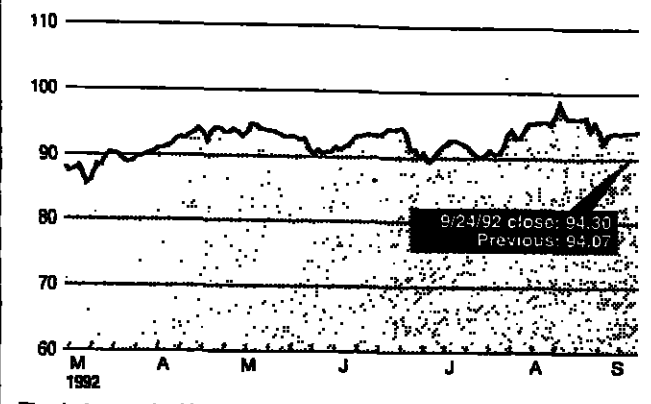
BUSINESS

FLY WITH A NEW FLEET TO SEOUL. Page 13



THE TRIB INDEX: 94.30

International Herald Tribune World Stock Index, composed of 230 internationally investable stocks from 20 countries, compiled by Bloomberg Business News. Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and other cities. In the case of Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization.

Table with columns for Asia/Pacific, Europe, and N. America, showing closing and previous values.

Table with columns for Industrial Sectors, showing percentage changes for Energy, Utilities, Finance, Services, Capital Goods, Raw Materials, Consumer Goods, and Miscellaneous.

WALL STREET WATCH

Junk Bonds Are Back, And Oh So Respectable

By Allen R. Myerson, New York Times Service

NEW YORK — Discredited and discarded just a couple of years ago, junk bonds are back. With \$29.5 billion in new public issues sold so far this year, investment firms expect to easily surpass the record junk bond sales of \$31.9 billion set in the giddy market of 1986.

Investment bankers and analysts swear on their prospectuses that the current surge for the high-risk, high-yield securities is no replay of the anything-goes debt binge of the 1980s — a binge that sometimes turned lawless. Few of the new issues are fueling fresh corporate takeovers or hostile buyouts.

"The pirates of the Caribbean, they're gone," said Marcell Clemens, director of high-yield research at Lehman Brothers. Although many people had thought the industry would vanish, she said: "We survived. I can't believe it."

Most new junk bonds are instead allowing companies to pay off bank debt or older bonds, often helping them to reduce interest payments and lower their risks of default.

Mutual funds, besieged by investors seeking to regain some of the income they have lost on other holdings as interest rates have declined, are the most eager buyers. For investors, however, the danger of loss from junk bonds remains.

Junk bonds, usually called high-yield bonds by the people trying to sell them, are those given relatively low ratings — or sometimes none at all — by the agencies that grade corporate debt. They are rated below BBB minus by Standard & Poor's Corp. or Baa-3 by Moody's Investors Service.

Few investment advisers expect junk bonds to continue making the spectacular gains of the last two years. At best, they say, buyers will earn the current average rates of about 10.5 percent, a sharp ome-down from the peak of 17 percent two years ago. Nonetheless, rates on junk bonds are well ahead of the 3 to 8 percent interest paid on money-market funds, savings accounts and the safest corporate bonds.

Some who scorned junk bonds in the past now recommended them. Richard C. Lehmann spent years saying in his Defaulted Bonds

See JUNK, Page 15

Sweden Takes Steps To Ease Rate Pain

Compiled by Our Staff From Dispatches

STOCKHOLM — The Swedish central bank took steps to ameliorate the effect of its high-interest policy on its economy Thursday, a move analysts said was likely to help its defense of the krona.

The Riksbanken also said a record 59 billion kronor (10.5 billion) streamed out of the country in the week of Sept. 17 to Sept. 23. The central bank has tried to stem the outflow of currency by raising its rate on overnight loans to banks to avoid devaluing the krona.

The view from abroad has been that extraordinary krona defense measures, such as the key marginal lending rate of 50 percent, could not be maintained for long because of damage to the already-weak Swedish financial sector. The new measure will buy the Central Bank some more time, as well as boosting general market confidence and lifting bank stocks, analysts said.

Only a minority of Swedish homes are financed on floating-rate mortgages, which track the recession, treasury bills, and are therefore directly affected by recent interest-rate turbulence.

The main body of financing is based on two-year and five-year loans but a large number of these are being turned over in any given week. Meanwhile, in Dublin, the Irish Central Bank tightened exchange controls and moved in to support the punt on Thursday, also seeking to avoid devaluation. Following Spain's lead in putting the squeeze on currency speculators, a central bank spokesman said "We suspended any swap activity by nonresidents in punts unless they receive explicit exchange control approval in advance."

Spain Curbs Cause Market Chaos

Compiled by Our Staff From Dispatches

MADRID — Spain's stock and bond markets went into a tailspin on Thursday as the impact of the sudden imposition of capital controls hit home.

The stock exchange general index fell through 200 to close at 197.80, its lowest level since early 1986, and bond prices plummeted.

The Bank of Spain brought in emergency capital controls on Wednesday to defend the peseta, which had faced renewed attack from speculators after being devalued last week by 5 percent in Europe's exchange rate mechanism.

The controls force banks lending pesetas to foreigners to deposit an equal amount with the central bank, effectively limiting the funds available, driving up short-term interest rates and making it practically impossible to borrow pesetas.

It boosted the value of the peseta against the Deutsche mark and stabilized it as the bank had intended, but at a price.

"The new Bank of Spain rules have saved the peseta but at the cost of shares and bonds," one dealer said. "Foreign investors are finding they cannot finance their positions

and that's provoking massive selling," said Santiago Fernandez, an economist at Beta Capital.

Forward peseta rates shot up, making it prohibitively expensive for foreign investors to hedge their positions in the bond and stock markets.

One share analyst compared the situation with the 1987 market collapse when the stock exchange stuck to its daily price movement limits and left many foreign investors trapped, holding plummeting stocks.

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BA Buys Into a French Carrier

By Ferdinand Protzman, New York Times Service

LONDON — British Airways said Thursday that it had agreed to buy 49.9 percent of TAT European Airlines, a French-based commuter airline, pending European Commission regulatory approval.

BA said it would pay £17.25 million (\$29.5 million) for the holding, which it is buying from TAT Group. The British carrier added that the purchase price might be changed when the transaction is completed, scheduled for January 1993. BA will hold four seats on the nine-member TAT board.

Under the plan, BA has an option to buy the remaining 50.1 percent of TAT by April 1, 1997. Also, TAT has an option to force the company to buy that stake by April 1997. Earlier this year, BA bought a 49 percent stake in the German domestic carrier Deutsche BA.

"It's an add-on deal that's part of a global strategy at British Air," said Christopher Will, transportation analyst at Lehman Brothers International. "It has to be stressed, it's a very small deal, and its importance is a very long-term one" in that TAT can expand into a more meaningful carrier.

TAT carried 3 million passengers in 1991 compared with British Air's 25 million.

TAT was founded in 1968 and is based in Tours, in the Loire Valley. It flies to 37 cities, 32 of them in France. The domestic network is based at Paris's Orly Airport, where TAT controls 20 percent of its takeoff and landing slots, and uses a second hub in Lyon. International flights use Charles de Gaulle Airport in Paris.

TAT flies to Gatwick Airport in London three times daily from Paris and 10 times weekly from Lyon. BA still wants "to do a deal in Europe with a larger airline," ideal

Porsche Stock Slips on Shift at Top

By Ferdinand Protzman, New York Times Service

FRANKFURT, Germany — The stock of Porsche AG slipped Thursday as the market digested news that a virtually unknown engineer was likely to take over as the automaker's chairman.

The German sports-car manufacturer announced Wednesday that Arno Bohm, its chairman, was leaving at the end of this month because of "differences of opinion on corporate policy," three years before his contract was to expire.

Porsche's supervisory board is expected to elect Wendelin Wiedeking, the 40-year-old head of production at the company, as its new chairman.

The company's stock price fell from 539 Deutsche marks (\$560) to 535 DM on the Frankfurt Stock Exchange on Thursday. The price had risen 34 marks a share Wednesday, or 6.7 percent, to 539 DM.

Brokers said there were rumors that the Porsche family had bought sizable blocks of the company's stock Wednesday in an attempt to create the impression that Mr. Wiedeking's selection was being greeted positively by the market.

After working for Porsche from 1983 to 1988 in the special products division, Mr. Wiedeking was brought back to the company in 1991 at the express wish of the family owners. But he has kept a low profile.

"He is virtually unknown in Stuttgart," said Klaus Dieter Oehler, who covers the auto industry for the Stuttgarter Zeitung. "He has a reputation for technical competence and obviously the backing of the family."

Getting along with the owners and developing a new model may prove to be the toughest challenges facing Mr. Wiedeking in his new post. He will be the fifth Porsche chairman since 1980. Five of his

U.K. Dissents on EC Bank

International Herald Tribune

Eleven of the 12 European Community countries have agreed that Frankfurt should be the site of a future EC central bank, the German Finance minister, Theo Waigel, said Thursday.

Britain is the sole obstacle to unanimity on the decision, Agence France-Press reported, citing comments by Mr. Waigel en route to Bonn from Washington.

An aide to Mr. Waigel said the consensus on Frankfurt, where the Bundesbank has its headquarters, was the result of an informal survey of EC officials this week in Washington. Officials in Brussels said no formal decision had been reached, however.

London is the EC's main financial center, but German officials are tireless in noting that Germany has yet to be the site of a major EC institution.

Under the EC's directive to liberalize capital movements, adopted by EC governments in 1988, member states are allowed to take protective measures restricting capital movements only when foreign-exchange markets are exposed to short-term capital movements of exceptional magnitude.

Spain, Ireland, Portugal and Greece were allowed to defer the 1990 implementation deadline of the directive until the end of 1992.

Why Mr. Bohm was dumped this week is an open question. Some observers think the change may be tied to last week's turbulence in the European Monetary System.

"Over 50 percent of Porsche's sales come from abroad, and Britain and Italy have been important markets for their cars," said an executive at a German auto company, who asked not to be named. "It is possible that Porsche got caught on the wrong side of some currency futures contracts when the realignment hit. That raises the possibility that they could actually suffer a loss this fiscal year. The family seized the moment and pinned the blame on Bohm, who has always claimed financial acumen as one of his strongest points."

Mr. Bohm had been at odds with the company's family owners for months over how to bring the world's last independent sports-car maker out of a severe slump. In contract negotiations last winter, he managed to retain his job only after issuing an ultimatum: "Fire me or extend my contract."

Mr. Bohm, a marketing and financial specialist who came to Porsche from the board of the German computer manufacturer Nixdorf AG shortly before that company had to be rescued from collapse by Siemens AG, was trying to revive Porsche's slumping sales by developing a less expensive "entry level" sports car for the global market. It is not expected to be ready before 1996.

The Porsche family, however, has long favored the development of a top-of-the-line sports coupe seating four people that would sell for more than \$100,000. Prices for the company's line of sports cars currently begin around \$39,850 and end near \$200,000.

The state of Porsche's health is unclear. But sales have tumbled in the United States, which was Porsche's most important market during the 1980s, and have not been doing well elsewhere in the world, industry analysts said.

U.S. Growth at 1.5% During the 2d Quarter

The Associated Press

WASHINGTON — The economy grew at a slightly less anemic rate than first thought in the April-June quarter, but new claims for unemployment benefits rose in mid-September for the fourth week in a row, the government said Thursday.

Consumer caution held the seasonally adjusted advance in the gross domestic product to an annual rate of 1.5 percent in the second quarter, the Commerce Department said, revising its previous estimate of 1.4 percent.

The second quarter performance followed a moderate increase of an annual 2.9 percent in the first three months of the year. That is considered poor for just after the recession, but it still was the best growth since the early months of the Bush administration.

Separately, the Labor Department said 414,000 Americans filed applications for unemployment during the week ended Sept. 12, an increase of 15,000. It was the fourth consecutive rise.

Analysts expected the mostly gloomy economic news to continue between now and the Nov. 3 presidential election.

"I can't see how the impression could possibly change before the election," said one economist, Paul W. Boltz of T. Rowe Price Associates in Baltimore. For political issues, he said, "George Bush is stuck with family values at this point."

Next week, the Labor Department reports on September's unemployment rate. Many economists fear the end of a federal summer jobs program for teenagers and job losses from the hurricane will cause an increase from the 7.5 percent August rate.

"What the numbers show is the economy is not particularly buoyant," said Paul Lally of R.H. Wrightson & Associates in New York. "We're still struggling to get our head above water."

Brady Sought Greenspan Policy Pledge

By Steven Greenhouse, New York Times Service

WASHINGTON — Treasury Secretary Nicholas F. Brady pressed the Federal Reserve chairman, Alan Greenspan, to achieve a certain amount of economic growth shortly before Mr. Greenspan's re-nomination and thought he had received a commitment, according to administration officials.

But they denied that the Fed chairman had agreed to change monetary policy at Mr. Brady's behest.

Administration officials said that in meetings in July 1991, Mr. Brady told the Fed chairman that he hoped the Fed would help achieve 3 percent growth in 1992.

The meetings came just before President George Bush re-nominated Mr. Greenspan to a second four-year term as chairman.

Joseph R. Coyne, a Federal Reserve spokesman, said, "As far as extracting a commitment to achieve a certain level of economic growth, that's nonsense."

Economists said that it would be highly unusual and improper for a Treasury secretary to seek a commitment from a Federal Reserve chairman to achieve a certain level of economic growth as a quid pro quo for re-nomination.

The interaction between Mr. Brady and Mr. Greenspan was first reported in the Los Angeles Times Wednesday in an article suggesting that the nomination of Mr. Greenspan was delayed to pressure him to toe the administration's line.

Three administration officials denied that this was the reason, and one said that tensions between Mr. Brady and John H. Summan, then the White House chief of staff, caused the delay.

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Mr. Coyne, the Federal Reserve spokesman, confirmed that Mr. Brady and Mr. Greenspan met in July 1991 shortly before he was re-nominated. "Brady did mention to the chairman that he would like interest rates lower, but he's been saying that for three years," Mr. Coyne said.

One administration official speculated that in their talks Mr. Greenspan might have explained to Mr. Brady that Federal Reserve members had agreed among themselves to increase the money supply by between 2.5 percent and 6.5 percent with the expectation that this would produce economic growth of 3 percent.

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CURRENCY & INTEREST RATES

Table with columns for Rates, Eurocurrency Deposits, and Key Money Rates, showing various financial data points.

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MARKET DIARY

Rate Outlook Helps End Losing Streak

Compiled by Our Staff From Dispatches

NEW YORK — Wall Street rebounded from a three-day losing streak with a moderate gain on Thursday that was fueled by a rally in bonds.

The Dow Jones industrial average rose 9.18 points, to 3,287.87. Standard & Poor's 500 index rose 1.04 points to 418.48, and the Nasdaq Composite index gained 2.97 to 585.93.

On the New York Stock Exchange, advancers outnumbered decliners by a margin of roughly 4 to 3.

Volume slowed to about 188 million shares from 204.4 million on Wednesday.

Trading, sluggish most of the day, surged near the close with several large block trades of American Telephone & Telegraph.

A T&T, going ex-dividend Thursday, fell 1/4 to 43 1/4. It was the most actively traded U.S. stock.

Weak data on the economy gave a boost to stocks and bonds because the slow growth implied borrowing costs would remain modest.

"The gross domestic product and unemployment claims just reinforced the fact they can't raise rates now — it would kill the economy," said Dale Tills, manager of institutional equities trading at Charles Schwab in San Francisco.

The Commerce Department said the U.S. economy grew at an annual rate of 1.5 percent in the second quarter, slightly faster than first estimated, but corporate profits af-

ter taxes were weaker than first thought. The Labor Department said 15,000 Americans, or twice as many as expected, filed first-time claims for state unemployment insurance in the week ended Sept. 12.

Bonds jumped on the rise in jobless claims, pushing the yield on the benchmark 30-year bond down to 7.41 percent from 7.48 percent late Wednesday as the price rose 23/32 to 98.

After AT&T, the most active stocks were Merck & Co., Unisys Corp., General Motors Corp., and Greenwich Pharmaceuticals.

Drug stocks were a standout today. Merck fell 1 1/4 to 45 1/4 as data from the research firm IMS America showed slowing prescription growth for two of the company's major drugs.

Glaxo Holdings PLC ADRs dipped 1/4 to 26 1/4. The IMS data showed new prescriptions for ulcer drug Zantac rose only 2 percent in August from last year.

Continental Corp. plunged 6 1/4 to 24 on volume of 1.8 million shares after the company announced the charges it will have to absorb to cover the recent hurricanes.

Other insurance stocks rose on the belief that Continental's woes will spur an increase in property-casualty rates, analysts said.

American International Group jumped 7 1/4 to 101 1/4. General Re rose 8 1/4 to 102 1/4, and Chubb soared 4 1/4 to 79 1/4.

Reuters Holdings PLC ADRs jumped 3 to 65 1/4 after Merrill Lynch recommended purchase of the stock for the intermediate term.

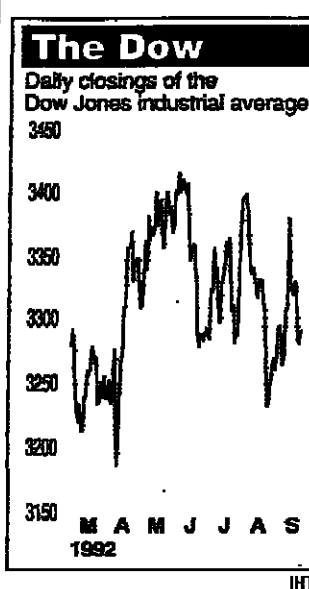


Table with columns: Vol., High, Low, Last, Chg. for NYSE Most Active stocks including AT&T, Merck, and Unisys.

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Table with columns: Open, High, Low, Last, Chg. for Dow Jones Averages including Industrials, Transp., Finance, and SP 500.

Table with columns: High, Low, Close, Chg. for Standard & Poor's Index and NYSE Index.

Table with columns: High, Low, Close, Chg. for NASDAQ Index and ANEX Stock Index.

Table with columns: High, Low, Close, Chg. for Dow Jones Bond Averages including 30 Bonds, Utilities, and Industrials.

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Table with columns: Close, High, Low, Prev. Close for EUROPEAN FUTURES including COCOA (FOC) and LONG GILT (LIFFE).

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Moody's Reviews Volvo's CP Rating

NEW YORK (AFX) — Moody's Investors Service is reviewing the Prime-1 commercial paper ratings of Volvo AB and its guaranteed units for possible downgrading, affecting about \$1 billion of commercial paper.

The review will focus on the adequacy of Volvo's debt-protection measurements given a protracted downturn in worldwide auto and truck demand, growing economic and financial pressures within Scandinavia, and Volvo's total indebtedness being reduced at a slower rate than was originally expected," Moody's said.

Units' ratings under review include Volvo Finance North America Inc., Volvo Cars of North America Inc., Volvo Group Finance Europe BV and Volvo Group Finance Sweden AB.

Rohr to Cut U.S. Aircraft Parts Jobs

CHULA VISTA, California (UPI) — Rohr Inc.'s top executive has told employees that the company may have to cut as many as 2,000 jobs over the next two to three years because of the slumping airline industry, a spokesman said Thursday.

Robert Goldsmith, chairman of the aircraft parts producer, made the disclosure in meetings with employees at Riverside, California, and its headquarters in Chula Vista in the past week. He said the projected cuts were the result of widespread cancellations and postponements of commercial airline deliveries and forecasts that the downturn would continue. He said he expected conditions to rebound by the middle of the decade.

Rohr, which has about 9,100 employees, has already cut 2,000 jobs from its work force over the past 14 months.

General Dynamics to Lay Off 440

SAN DIEGO (UPI) — General Dynamics Corp. said Thursday it would cut 10 percent to 15 percent of the jobs at its Space Systems Division over the next several months, idling at least 440 workers.

"It is absolutely necessary to balance the size and skill mix of our work force with the realities of our market place," said Michael W. Wynne, president of the division, which has 4,400 employees.

The military contractor said most of the cuts will take place at the division's facilities in San Diego, which has 3,100 jobs, and at its facilities in Cape Canaveral, Florida, where it employs 560 workers.

SEC Files Suit on Motel 6 Trading

WASHINGTON (Bloomberg) — The Securities and Exchange Commission has filed a lawsuit against 18 individuals and a brokerage firm charging that they used insider information to trade securities of Motel 6, a SEC charges that they traded Motel 6's securities before the chain was acquired by Accor SA of France in August 1990. Before the acquisition, Kohlberg Kravis & Roberts owned a majority of the Dallas-based chain through various partnerships.

In the lawsuit, the SEC says that Hugh Thrasher, executive vice president in charge of corporate communications at Motel 6, provided inside information on the pending acquisition to his longtime friend, Carl Harris. Mr. Harris, who has since died, passed on the tip to his relatives and numerous friends and acquaintances, the SEC said. One of those to whom he gave information was Ira Gorman, a principal of Gorman Commodities & Securities Inc., the SEC said.

Unisys Restores Preferred Dividend

NEW YORK (AP) — Unisys Corp., the struggling computer maker, which has returned to profitability after closing plants and laying off workers, said Thursday that it would resume paying a dividend on its preferred stock.

Unisys also said it would pay out more to these shareholders than the regular dividend as it attempted to make up for the dividends it stopped paying during its financial troubles.

Unisys, based in Blue Bell, Pennsylvania, has also stopped paying the dividend on its common stock. Companies must first repay any back dividends owed on preferred shares before they are permitted to restore common-stock dividends.

YEN: Strongest Currency Around

(Continued from page 1)

of a rise in the yen and Yasushi Mieno, governor of the Bank of Japan, reiterated Thursday that he still favored a firming of the yen over the long term, according to press reports.

Still, investors in the Tokyo stock market interpreted the developments favorably. The Nikkei index of 225 stocks rose 327.23 points Thursday to close at 18,609.95.

With Japan's own economy in a steep slump and interest rates low, the yen hardly appears to be a candidate for a strong rally. Many executives and economists believe that the yen looks good only by default, as investors seek to escape the turmoil in Europe and because prospects for the American economy are uncertain.

"The main reason for the sharp rise of the yen doesn't exist in the yen itself," said Akira Satate, deputy general manager of foreign exchange at the Bank of Tokyo.

Some executives said the current strength of the yen would be only transitory. But others say the same factors that have brought the yen to its current position will drive it even higher.

"The yen is now a safe-haven currency," said Robert Alan Feldman, director of economics and market analysis for Salomon Brothers Asia Ltd., who thinks the dollar will fall to 115 yen or even lower.

In other currency trading, the dollar slipped slightly against the mark as strains in the European Monetary System seemed to abate slightly and as unemployment claims data highlighted the weakness of the U.S. economy.

Traders said an easing in European tensions, no matter how slight, tended to dent the dollar's safe-haven status, causing it to drop to 1.4830 DM, down from 1.4990 DM on Wednesday.

The dollar climbed as high as 1.3200 Swiss francs after that country cut interest rates. But traders quickly took profits and drove it down to 1.3025 francs, off from 1.3095 francs on Wednesday. The pound stood at \$1.7085, little changed from \$1.7105.

Continental's Storm Charge

Compiled by Our Staff From Dispatches

NEW YORK — Continental Corp. said Thursday it will take \$320 million in pretax charges in the third quarter for losses from Hurricanes Andrew and Iniki and for its withdrawal from "nonstrategic" businesses.

Inki will cost insurers about \$1.6 billion, ranking it as the industry's third-costliest U.S. disaster, said an insurance group in Hartford, Connecticut.

Continental also accepted the resignation of its president and recommended slashing its quarterly dividend to 25 cents a share from 65 cents.

Continental estimated its losses from the hurricane designated Iniki, which struck Hawaii on Sept. 11, will total \$55 million after reinsurance. (Bloomberg, AP)

U.S. FUTURES

See Associated Press

Table with columns: Season, High, Low, Open, High, Low, Close, Chg. for U.S. FUTURES including Grains (WHEAT, SOYBEANS) and Metals (COPPER, GOLD).

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WORLD STOCK MARKETS

Agence France Press

Large table listing stock market data for various international markets including Amsterdam, Brussels, Frankfurt, London, Madrid, Milan, Singapore, Stockholm, Zurich, and Tokyo.

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Handwritten text in Arabic script: "بالتوازي مع الارتفاع"

Large handwritten text: "NYSE"

To our readers in Budapest: Hand delivery of the IHT is now available on the day of publication. Call today: 175-7735

Hagen Wins Nedlloyd Seat

Court Gives Norwegian Investor Long-Sought Position

By Barbara Smit
Special to the Herald Tribune

AMSTERDAM — Torstein Hagen, a controversial Norwegian investor, won an 18-month battle Thursday as a court order propelled him onto the board of Nedlloyd Group NV over the objections of employees, who can block appointments of directors under Dutch law.

Mr. Hagen, who asked to be appointed to the board in March 1991, owns 27 percent of the troubled transportation concern. The enterprises division of the Amsterdam Court of Appeal said Thursday that the objections raised by his appointment were unfounded.

"We're obviously disappointed, but there is nothing else we can do," Bloomberg Business News quoted the employees' council chairman, Izak de Looft, as saying in Rotterdam. "In general, the idea of a big shareholder in a position of power as supervisory board member causes us problems," said Mr. de Looft.

The court ruling comes after several years of jousting between Mr. Hagen and the supervisory board, which until earlier this year rejected the Norwegian as a raider, and unreliable.

"A lot of water has gone under the bridge," said Pieter Kootenbelt, a Nedlloyd spokesman. He explained that Mr. Hagen had abandoned demands to change the company's legal structure and promised not to take hostile actions.

Shareholders welcomed Mr. Hagen's surprise appointment by the supervisory board: The Norwegian investor had presented tough plans for Nedlloyd to divest noncore activities worth about 1.7 billion guilders (\$1.01 billion) and predicted fast recovery. He further pledged to defend the interest of the Nedlloyd shareholders.

The employees council blocked the board appointment, however, fearing Mr. Hagen's reorganization plans would cause large-scale job losses. After investigations about his track record in the Norwegian shipping industry, the council alleged that Mr. Hagen only intended to raise the share price and sell his stake.

"Nedlloyd employees were clearly afraid for their jobs. Hagen said he wanted to divest all noncore activities, and there are still a lot of them," said Richard Brukenhoff, a transportation analyst at Pierson, Holding & Pierson.

In an apparent tit-for-tat move, the shareholders committee then blocked the nomination of Olivier van Royen and Jan van Stuijvenberg, two candidates supported by the employees council. All three appointments should come into effect next month under the court ruling.

Nedlloyd shares fell slightly in Amsterdam, losing 1.20 guilders, to 35.50, probably because the nomination has already been discounted by investors.

Fiat's Pretax Profit Tumbles 55% Despite Boost from Telecoms Sale

Compiled by Our Staff From Dispatches

TURIN — Fiat SpA, Italy's largest car maker and largest private sector company, said Thursday that its pretax profit dropped to 655 billion Italian lire (\$521 million) in the first half of 1992, down 55 percent from a year earlier.

The fall in profit would have been even sharper without one-time gains from the sale of Fiat's stake in Alcatel Italia, the Italian unit of Alcatel Alsthom SA. A Fiat spokesman said the Alcatel sale boosted pretax profit by 367 billion lire.

Citing the "negative international situation," the company said that pretax profit as a percentage of sales fell to 2.2 percent in the first half of 1992 from 4.9 percent in the year-earlier period.

The company said that the second half of the year has been "characterized by increasing uncertainty and preoccupation regarding the international economic situation." However, a company spokesman said he expected the company to turn a profit for the year as a result of restructuring and action being taken to contain costs.

Shares of the company, which represents 3.5 percent of Italy's total economic output, tumbled by 75 lire, or 2 percent, to 3,565 lire on the Milan Stock Exchange on Thursday.

Consolidated sales edged up 2.2 percent in the first half to 30.142 trillion lire, while investment rose 7 percent to 1,654 trillion lire, Fiat said.

Fiat also announced that its net debt jumped to 2.51 trillion lire at June 30 compared to a net cash position of 431 billion lire a year before.

At Fiat Auto, the automobile unit that represents about half the group, sales fell 6.3 percent to 14,379 trillion lire. With a European market share of 12.6 percent, it remains the second largest car maker in Europe, behind Volkswagen AG.

Sales of industrial vehicles were little changed at 4,244 trillion lire, compared with 4,225 trillion lire in 1991.

Fiat also announced that its construction unit Cogefar Impresit SpA recorded a first half operating loss of 9 billion lire compared with a profit of 16 billion for the same period a year earlier.

(Reuters, Bloomberg, AFX)

Investor's Europe

Frankfurt DAX	London FTSE 100 Index	Paris CAC 40
1992	2800	2100
1800	2700	2000
1700	2600	1900
1600	2500	1800
1500	2400	1700
1400	2300	1600
1991	2200	1500

Exchange	Index	Thursday Close	Prev. Close	% Change
Amsterdam	CBS Trend	113.10	113.10	Unch.
Brussels	Stock Index	5,475.15	5,458.06	+0.31
Frankfurt	DAX	1,590.94	1,587.83	-1.78
Frankfurt	FAZ	602.72	613.94	-1.83
Helsinki	HEX	584.15	577.81	+1.10
London	Financial Times 30	1,936.70	1,901.80	+1.84
London	FTSE 100	2,621.20	2,580.50	+1.58
Madrid	General Index	197.80	205.22	-3.62
Milan	MI8	718.00	721.00	-0.42
Paris	CAC 40	1,829.50	1,828.93	+0.03
Stockholm	Afaersvaerden	833.74	834.18	-0.05
Vienna	Stock Index	377.41	379.05	-0.43
Zurich	SBS	847.80	848.90	-0.17

Sources: Reuters, AFP
International Herald Tribune

Perrier Plans 1993 Cutback Of 750 Jobs

Compiled by Our Staff From Dispatches

PARIS — Source Perrier, recently acquired by the Swiss food giant Nestlé SA, has announced that it expects to cut 750 jobs next year from its work force of 5,400.

Perrier said Wednesday that no workers would be fired. The plan, as submitted to worker representatives, calls for training programs, early retirement and the use of part-time employees.

The planned cuts signal that Perrier's profitability has suffered from a 1990 health scare and slack markets.

Citing the 1990 cutback in output following the discovery of traces of cancer-causing benzene in Perrier samples in the United States, Perrier said production in 1991 was 40 percent below its level of 1989.

It added that the mineral water market had "stagnated" over the last two years.

(AFP, Reuters)

Tisch-Ranieri Bid Rejected For Canary Wharf Project

The Associated Press

LONDON — Bankers for the Canary Wharf office development have rejected a bid for the troubled project by a U.S. group that includes the chairman of CBS Inc., Laurence Tisch, the lead bank said Thursday.

Lloyds Bank said seven of the 11 banks voted earlier this week at a meeting in New York to reject the \$235 million (\$402 million) bid from the group, which also includes Lewis Ranieri, a former vice chairman of Salomon Brothers.

The bid had been put together by the founder of Olympia & York Developments Ltd., Paul Reichmann, who wanted to maintain a stake in Canary Wharf after losing control of the London project in May as the company's financial troubles grew.

Canary Wharf, Europe's largest commercial office development, was envisioned by Mr. Reichmann as a new center for European business, but it is unfinished in a location some distance from London's financial center, and there is doubt whether anyone will put up the money to extend a subway line to the complex.

Olympia & York sought bankruptcy court protection in May for the £3 billion Canary Wharf project and its Canadian properties after talks with the bankers collapsed.

Rolls-Royce Cars Lays Off 950, or 30% of Workers

Compiled by Our Staff From Dispatches

LONDON — The luxury car maker Rolls-Royce Motor Cars Ltd. said Thursday it was laying off 30 percent of its total work force.

The Rolls-Royce chairman, Peter Ward, said he "deeply regretted" the 950 factory job losses but the company saw no sign of recovery in the recession-hit car industry.

"We must take this action now to protect remaining jobs and ensure we can support continuing investment," he said.

The company said the jobs would be lost by the end of the year at its factory in Crewe, north of London. The remaining worldwide work force at Rolls-Royce Motor will be 2,400, compared with some 5,300 eighteen months ago.

Rolls-Royce's parent company, Vickers PLC, announced a half-year pretax loss on Thursday of £4.1 million (\$7.02 million), a slightly smaller loss than £4.3 million reported for the year-earlier period.

The company also announced that it cut its dividend to 0.50 pence per share from 3.70 pence. The company said that the job cuts would require Vickers to take a charge of £12 million in the second half.

Mr. Lloyd said heavy reduction in demand in Japan had been "particularly disappointing."

(Reuters, AFX, Bloomberg)

Ford of Britain Idles 1,350

Compiled by Our Staff From Dispatches

LONDON — Ford Motor Co., Britain's largest car maker, said Thursday it would cut 1,350 jobs from two plants because of falling sales caused by the recession.

Ford last cut its British work force in February when it shed 2,100 of its 40,000 jobs.

The company said it would cut October car production by 12,000 units in view of lagging car sales. Last month it cut September output by 8,000 units.

In the new cuts, the company will reduce production of the Fiesta model at its Dagenham plant in Essex by 6,000 units. A further 6,000 units of its Escort and Orion models will be affected at its Halewood plant on Merseyside.

(Reuters, AFX, Bloomberg)

Very briefly:

- Birkel Bessel, president of Germany's Trenhand denationalization agency, said 70 percent of the former East Germany's state-owned companies have been sold or liquidated; she said 3,810 concerns remained on the agency's books, employing 670,000 people.
- Usinor-Sacilor said its Unimetal unit sold a 30 percent stake in Georgetown Steel of the United States back to the parent company, Georgetown Industries; it retains a 20 percent interest in the company.
- Klöckner-Werke AG's sales in the nine months ended June 30 rose 2.7 percent to 5.36 billion Deutsche marks (\$3.6 billion) from a year earlier.
- Forbo AG said its Forbo-Stamoid AG division will cooperate with Huber & Suhner AG in production, sales and development of coated fabrics for the construction industry.
- Marzotto SpA's first-half consolidated net profit fell 54 percent to 9.3 billion lire from a year earlier, while group sales rose 42 percent to 951.8 billion lire.
- Italcable SpA's first-half pretax profit rose 5.4 percent to 143.6 billion lire from a year earlier on a sales gain of 6.2 percent to 362 billion lire.
- Lonrho PLC confirmed the sale of its Firststeel Group Ltd. unit to a management buyout team led by Philanthrop Ventures.
- Linde AG, the German engineering company, won a contract for 150 million DM to carry out engineering operations on a chemical plant in South Africa.

EC Inflation 4.1% in August

The Associated Press

BRUSSELS — The European Community's average annual inflation rate stayed steady at 4.1 percent in August, the EC statistics agency Eurostat reported Thursday. The EC rate compared to 3.1 percent for the United States and 1.7 percent for Japan.

JUNK: High-Yield Bonds Are Back, and Respectable

(Continued from first finance page)

Newsletter that the bonds' high interest rates failed to justify their risks.

Mr. Lehmann is now also publishing a monthly High-Yield Securities Journal that concentrates more on the opportunities. "We can actually say some positive things for a change," he said.

Defaults on the bonds peaked at \$28.5 billion in 1990, as many savings and loans, insurance companies and individual investors absorbed huge losses. Regulators forced savings institutions and insurers to dump their junk bonds, and many critics doubted that the market would ever revive.

So far this year, defaults are down to \$5.6 billion. In Mr. Leh-

MARKETS: After the Swiss, Germans May Cut Rates

(Continued from page 1)

that "the market is not convinced the fight is over."

Nevertheless, the clear reduction in the selling pressure on the franc was an indication that some reassessment was under way.

"This has not been a speculative-driven attack on the franc; it's been a flow-driven unwinding of genuine investments built up in France over the past four or five years," observed Andre Drobny at CS First Boston.

Foreign investors are estimated to have been holding some 800 billion francs (\$150 billion) of bonds and shares.

The decision to sell the assets or cover the exchange risk does not occur all at once.

"It's a domino effect," Mr. Drobny said.

Contributing to the mood of reassessment was a report in two newspapers asserting that Chancellor Helmut Kohl and President François Mitterrand at their meeting in Paris on Tuesday had agreed to link the franc with the mark. The story was officially denied in Paris and Bonn.

Kuwait Is to Bail Out Grupo Torras

AFP-Euro News

MADRID — Grupo Torras SA said the Kuwait Investment Office has decided to inject 240 billion pesetas (\$2.36 billion) into the group, which is the KIO's Spanish holding company.

The company said 140 billion pesetas will be used to recapitalize the holding company, with a further 40 billion injected into Torras Papel.

The Kuwaiti decision comes after a meeting between Kuwaiti officials and Spain's finance minister, Carlos Solchaga, in Washington on Tuesday to discuss Kuwait's future investment strategy in Spain.

NYSE			
Thursday's Closing			
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press			
(Continued)			
IBM	172 1/2	172 1/2	172 1/2
Microsoft	48 1/4	48 1/4	48 1/4
Intel	21 3/4	21 3/4	21 3/4
Oracle	18 1/4	18 1/4	18 1/4
Sun	15 1/4	15 1/4	15 1/4
HP	12 1/4	12 1/4	12 1/4
Motorola	11 1/4	11 1/4	11 1/4
Rockwell	10 1/4	10 1/4	10 1/4
Amgen	9 1/4	9 1/4	9 1/4
Boeing	8 1/4	8 1/4	8 1/4
Lockheed	7 1/4	7 1/4	7 1/4
Northrop	6 1/4	6 1/4	6 1/4
Raytheon	5 1/4	5 1/4	5 1/4
General Dynamics	4 1/4	4 1/4	4 1/4
Boeing	3 1/4	3 1/4	3 1/4
Lockheed	2 1/4	2 1/4	2 1/4
Northrop	1 1/4	1 1/4	1 1/4
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Lockheed	1 1/4	1 1/4	1 1/4
Northrop	1 1/4	1 1/4	1 1/4
Raytheon	1 1/4	1 1/4	1 1/4
General Dynamics	1 1/4	1 1/4	1 1/4

ASIA/PACIFIC

Westpac Rights Issue Was Worse Than Imagined

Compiled by Our Staff From Dispatches
SYDNEY — Westpac Banking Corp. revealed Thursday that its failed rights issue was a spectacular flop, leaving the underwriters with responsibility for \$638 million of unsold shares and putting a crimp in the market for this kind of offering.

of its extent surprised analysts. "There is a lack of confidence by the market in the bank," said Nestor Hinzak at the Bain & Co. brokerage house.

large shortfall in the rights issue was the expectation among institutional investors that they would be able to pick up the unwanted shares at less than the 3 dollar price after the issue closed.

The failure of the Westpac issue came amid escalating concerns about the outlook for the bank after a record half-year loss of 1.7 billion dollars. In early May, when it announced the loss in the period that ended March 31, Westpac's stock traded at 4.31 dollars.

Thai Airline Expects Fall In Earnings

Compiled by Our Staff From Dispatches
BANGKOK — Thai Airways International will report lower-than-expected financial results this year, its president said Thursday.

The executive, Chattrachai Bunya-Ananta, added that the airline was likely to offer 200 million additional shares to the public within 12 months.

Mr. Chattrachai, appointed the company's first civilian president this month, said the airline would miss its revenue target because of domestic and foreign factors, including the street disturbances in May that put off tourists.

Since being listed on the Stock Exchange of Thailand in July, the shares have mostly traded below their underwriting price due to poor corporate earnings and a decline in tourism.

New Zealand Weighs NAFTA

It May Seek to Join if GATT Talks Fail, Leader Says

Agence France-Press
OTTAWA — If the current talks on world trade liberalization fail, New Zealand and other Pacific Rim countries may seek membership in the North American Free Trade Agreement, Prime Minister Jim Bolger has predicted.

Mr. Bolger, on a side trip to the Canadian capital while attending the UN General Assembly in New York, met for an hour Wednesday with Canada's international trade minister, Michael Wilson.

He said at a news briefing that their conversation had focused primarily on the trade talks, which are being carried out within the framework of the General Agreement on Tariffs and Trade.

Domestic Strength Helps Lift Brierley's Earnings by 19%

Bloomberg Business News
WELLINGTON — Brierley Investments Ltd. said Thursday that consolidated net profit for the year ended June 30 rose 19 percent from a year earlier, largely on a lift in earnings in New Zealand and on lower interest costs.

Brierley said earnings rose to 251.1 million New Zealand dollars (\$136 million).

Revenue for the fiscal year fell 25 percent to 4.3 billion dollars. The decline was attributed to the sale of the British-based automotive concern Tozer Kemsley & Millbourne during the year.

Brierley is considered a key indicator of the New Zealand economy because of substantial interests it holds in major companies, including Air New Zealand, the forestry giant Carter Holt Harvey Ltd. and the liquor concern Magnum Ltd.

Separately, Ashlar Corp., a New Zealand-Danish consortium, said it was ready to lodge an unconditional bid for the fisheries concern Sealord Products with Carter Holt Harvey. The bid is in competition with a government-supported proposal put forward by a partnership of Brierley Investments and Maori-backed interests.

News Corp. Shares Lifted By S&P Credit Upgrade

Compiled by Our Staff From Dispatches
SYDNEY — Shares in the Australian-born media magnate Rupert Murdoch's News Corp. jumped 22 cents to 24.20 Australian dollars (\$17.50) Thursday on the stock exchange, buoyed by news of an imminent upgrading of its credit rating and predictions of record profit.

The international ratings agency Standard & Poor's Corp. announced Thursday that News Corp. would be upgraded on completion of a \$1 billion dollar senior debt issue and a global offering of 40 million shares.

S & P hinted at a further upgrade, to BBB, the bottom rung of the investment grade ladder,

should the company manage to re-finance bank facilities on satisfactory terms.

Mr. Murdoch predicted in San Francisco that the company was likely to post a record profit this year and, when asked if the company was over the worst of its debt problems, said: "I'd say over them all."

Chinese Steelmaker Joins the Stock Parade

BEIJING — The big Ma'an Shan Iron & Steel company will be the next company to join China's experiment with issuing shares of stock, the news agency Xinhua said Thursday.

The cabinet has authorized Ma'an Shan to be a pilot company in what Xinhua called a program of standardization of share holding. Its 100,000 work-

ers turn out 4 million tons of iron and steel a year.

The news agency did not give further details, but analysts said the state was sure to maintain a controlling interest in such a key company. The shares are likely to be issued only to employees.

China recently turned to a shareholding system to invigorate inefficient and capital-starved industries and to tap the huge pool of personal savings.

Investor's Asia

Table with columns for Exchange, Index, Thursday Close, Prev. Close, and Change. Includes data for Hong Kong, Singapore, Tokyo, Kuala Lumpur, Bangkok, Seoul, Taipei, Manila, Jakarta, New Zealand, and Bombay.

Source: Reuters, AFP

Very briefly:

- List of brief news items including: Allied Group Ltd. of Hong Kong signed two property deals in Shandong province; Kumagai Gumi (Hong Kong) Ltd. is launching a series of property projects in southern China; Peugeot Japan Co., a unit of the French automaker, said it would become a joint venture with Isuzu PLC of Britain to import and sell Peugeot vehicles in Japan beginning in 1993.

Large table titled 'INTERNATIONAL FUNDS' containing a comprehensive list of investment funds with columns for fund names, currencies, and other details. Includes sub-sections for 'Other Funds' and 'Investment'.

For information on how to list your fund, fax Simon OSBORN on (33-1) 46 37 21 33.

SPORTS TENNIS

It's Davis Cup Showtime Again

The Associated Press
MINNEAPOLIS — For John McEnroe, the last meeting with Sweden was the low point for the United States in recent Davis Cup history.

There were several ugly-American incidents in the 1984 final in Göteborg, most involving Jimmy Connors, some McEnroe.

The U.S. team dropped its first three matches, Connors never played Davis Cup again and McEnroe didn't return until 1987.

"History has proven that it turned out to be a turning point in the negative direction for a while," McEnroe said. "At that time, Jimmy and I were not getting along. It just wasn't a team feeling. That was, probably, of all the years, my least favorite."

Mac is back. Again on red clay. Again facing Sweden, this time in the Davis Cup semifinal that begins Friday.

He is joined by doubles partner Pete Sampras and singles players Andre Agassi and Jim Courier. They'll face a Swedish team featuring top-ranked Stefan Edberg, with the winner advancing to the championship in December. Brazil and Switzerland meet in Geneva in this weekend's other semifinal.

Although the United States and Sweden have done nothing but practice so far, McEnroe said this event is already infinitely more enjoyable than the 1984 final was.

"It's much more preferable to me, especially having already won it four times, that I be with a group of guys that I really like and that we have a team feeling," said McEnroe, who has a U.S.-record 57 Davis Cup match victories but hasn't won a team title since 1982.

In 1984, while Connors lost the event's first match (6-1, 6-3, 6-3 to Mats Wilander), he repeatedly screamed and swore at officials. He immediately went home, not even waiting for the event to end.

McEnroe also lost, also in straight sets, to Henrik Sundstrom. McEnroe and Peter Fleming, whose Davis Cup doubles record was 14-0, then lost to Edberg and Anders Jarryd—the same twosome McEnroe and Sampras face Saturday.

Though he wasn't as abusive as Connors had been, McEnroe was McEnroe. Meaning he also lost his temper a few times.

"Jimmy had some problems over in Sweden and they kind of lumped me in with it because of my past history," McEnroe said. "They

made us sign some sort of pledge of conduct that I didn't sign. Because of that, in '85 I was ineligible."

In 1986, the USTA's president, Randy Gregson, didn't let McEnroe play because he didn't like McEnroe's personality.

"So that's two years wasted that we could have won it," McEnroe said. "Since then, it was an uphill battle until Andre and Michael Chang won it in 1990. There was an eight-year period where we were dry."

Thanks to today's young talent, the 33-year-old McEnroe doesn't expect any dry spells in the near future. He's again excited about the direction of U.S. tennis.

"If you look at American tennis now, we have Andre, Jim, Chang and Sampras—four of the top six or seven players in the world. It's a fantastic opportunity for American tennis to get back to the position of what Americans expect it to be."

Switzerland Is Favored

Olympic gold medalist Marc Rosset, leads Switzerland against Brazil in the Davis Cup battle of the upstarts. Agence France-Press reported from Geneva.

To get here, the Swiss edged defending champion France, 3-2, while Brazil eliminated Italy, 3-1, after beating Germany by the same score in the previous round.

On paper, the Swiss should have the upper hand in this weekend's encounter, which starts Friday with the singles matches.

Hard-serving Rosset and Czech-born Jacob Hlasek are ranked higher than Brazil's top players, Luiz Mattar and Jaime Oncins, and can count on 18,000 fans to roar them on.

At the same time, the Brazilian camp is riven by a hostile relationship between the players and the country's tennis federation.

Sponsorship money that should have gone to the players was used instead on the federation's deficit.

"The president of the federation is a cowboy. He is irresponsible," said Cassio Motta, the team's third player.

A Brazilian bank has stepped in to underwrite the team and is flying a six-person orchestra to Geneva to cost its chances.

Also, Oncins, 22, is on a Davis Cup roll, having won nine consecutive matches and, in the process, became a national hero.



The U.S. team's coach, Tom Gorman, with John McEnroe at practice for the Davis Cup semifinal matches against Sweden.

SIDELINES

Becker Hires Bresnik as New Coach

ESSEN, Germany (Reuters) — Three-times Wimbledon champion Boris Becker, who in June split with his former trainer, Tomas Smid of Czechoslovakia, said Thursday he has hired the Austrian Davis Cup captain, Günther Bresnik, as his new private coach.

Becker, 24, who has slipped to eighth in the world rankings, said he planned to start working with Bresnik, 31, at next week's ATP tournament in Basle, Switzerland.

"The next few tournaments will be a test of how we can work together," Becker said on the eve of Germany's Davis Cup match against Belgium.

Auto Rally Becomes Hide-and-Seek

PARIS (AFP) — Kenjiro Shinozuka of Japan, in a Mitsubishi, won Thursday's 19th stage of the Paris-Moscow-Beijing rally, from Wuwei to Yinchuan in China.

"It was a bit like musical chairs, with the leader losing his way and the second-placed driver taking over," said Shinozuka. "Just happened to be leading at the end."

Pierre Larigues of France, in a Citroën, came in sixth but still led his nearest rival, Erwin Weber of Germany, by more than an hour.

Marcilionis Has Surgery on Leg

OAKLAND, California (AP) — Golden State Warriors guard Sarunas Marcilionis has had surgery on a fractured right fibula and a dislocated right ankle and will be sidelined for at least eight weeks.

Marcilionis, the NBA's highest scoring sixth man last season at 18.9 points per game, was injured over the weekend when he stepped on a root or branch while running through a wooded area near his home in Vilnius, Lithuania, the team said. He returned to Oakland late Tuesday night.

For the Record

Uganda, Mauritania and Sudan have withdrawn from the 1994 World Cup on economic grounds. FIFA said Thursday while putting off indefinitely Libya's qualifying matches because of the UN ban on commercial air links with that country.

Arsene Wenger, the Monaco manager, was suspended for two matches by UEFA for being sent off during his team's UEFA Cup match Sept. 16.

Ian Woosnam shot 4-under-par 67 for a one-stroke lead over two Englishmen, rookie Jim Payne and Barry Lane, after one round of the Belgian Open.

Dance Smarty, the top 3-year-old filly in North America last year and the first Canadian-bred to win a Breeders' Cup race, was retrained with a ligament injury.

Jahangir Khan, who had already said he was retiring, pulled out of the World Squash Championships in Johannesburg because of back pain.

The NFL's official Media Relations Playbook, advising players on how to deal with the media: "Don't use slang. Speak English. It's likely to be a requirement for your next job."

Connors-Navratilova: Battle Of Sexes All About Money

New York Times Service

LAS VEGAS — Twenty years ago, 55-year-old Bobby Riggs said he could beat the best female tennis player in the world: 29-year-old Billie Jean King. He was wrong.

On Sept. 30, 1973, King beat Riggs, 6-4, 6-3, 6-2, in a match billed as the battle of the sexes but more reflected the social climate of the times than a sporting event.

Now comes Jimmy Connors versus Martina Navratilova on Friday, a three-set match with \$500,000 going to the winner, supplementing the reported \$500,000 appearance fee each player is getting.

While this match will have a degree of gender consciousness, it lacks the political weight of King-Riggs and has been relegated to pay-per-view rather than network television.

"To a lot of people, this is a fun match," said Connors.

Riggs, never one to miss a money show, turned up at the news conference and asked Navratilova if she would attack Connors's serve.

"I hope so," Navratilova said. "He's a man with steel will and nerves. How well I'll be able to attack, I don't know. But I have to go for the shots. I can't go easy."

Connors, who is 40, will get only one serve while giving Navratilova, 35, a court expanded by half a double's alley on each side to hit onto.

Asked if she expected the crowd to root for Connors, who is a 4-1 betting favorite, Navratilova said: "If it's based on betting, they'll favor him. If it's from their heart, they'll be for me, because I'm more likable."

She took a beat and smiled: "I'm more adorable," she said.



BOOKS

SACRED HUNGER

By Barry Unsworth. 630 pages. \$25. Doubleday, 666 Fifth Avenue, New York, New York 10103.

Reviewed by Gary Jennings

THE works of the English author Barry Unsworth have gone rather unappreciated in the United States, but this novel should change that.

It commences in Liverpool in the 1750s with the building and crewing of a ship designed solely for the transport of slaves from Africa to the West Indies. Eventually there is such a variety of seamen aboard that the reader may have trouble distinguishing among them, but some are unforgettable.

There is the mad Captain Saul Thurso, alongside whom captains Ahab and Bligh would have to rank as pussycats. There is the First Mate James Barton, whose survival depends on sycophancy. There is the ship's surgeon, Matthew Paris, who is reluctantly on board only because his published ideas about evolution (anticipating Darwin by a century) have him fleeing a prison sentence imposed by an outraged Anglican bishop.

The bestiality of the slave trade is well-known, but Unsworth makes us aware also of the almost equal brutality common in those days even to "civilized" places like Liverpool. The scenes in which press gangs go about shanghaiing crewmen for the ship are among the best in the book.

Unsworth's blending of historical fact and his own imagination is well-nigh seamless, his research impeccable. He seems to know every detail of life in the mid-18th century: shipbuilding, ocean navigation, medicine, even wig-wearing and women's dress — and every landscape and seascap from England to West Africa to the South Atlantic to the then wilderness interior of Florida.

When the ship reaches Africa and crams its pathetic black cargo into its feid holds, everything that can go wrong does go wrong. Some of the valuable slaves starve themselves to death; others die merely of the equator below decks. Then both the cargo and the crew begin to get decimated by malaria, scurvy, blackwater fever and "the bloody flux." The ship is alternately becalmed in the doldrums and beset by storms. The salt beef goes putrid, the fresh water runs out. The crewmen have to suffer vicious floggings for the least offenses.

When Thurso decides to start jettisoning even the still-living slaves, to save feeding them — and because, back in England, he can collect insurance on the "loss" — Matthew Paris and a couple of other decent men on board incite a mutiny.

Meanwhile, in Liverpool, the shipowner's son, Erasmus Kemp, is having a sort of "Fride and Prejudice" romance with the daughter of a country squire. I would say that this impedes the narrative, but it does establish Erasmus as the most unlovable lover imaginable. And, being the

lifelong enemy of Matthew, it is he who will bring the story to its terrible climax and conclusion.

A hurricane hurls the ship far off course and beaches it on the coast of southern Florida. The surviving white crewmen and black slaves determine to start life anew in this balmy, hospitable land. They set up a colony, whites and blacks living in communal harmony: farming, fishing, hunting, cheerfully interbreeding, being very happy indeed. And they get away with this for 12 years, because England has long presumed the ship to have been sunk at sea.

But then some other passing seamen, ashore for fresh water, stumble upon the colony. They eventually report to London, and the vindictive Erasmus comes looking for his "property." I will not give away the story's ending, except to say that Erasmus need hardly have bothered. The colony has already been fraying, with one faction trying again to make slaves of another.

The dissolution of the Edenic colony is uncomfortably reminiscent of "Lord of the Flies." And sometimes Unsworth's meticulous research gets obsessive; his disquisitions on England's parliamentary and commercial flingings can be tiresome. But these are matters excusable in a novel that is otherwise utterly magnificent.

Gary Jennings' latest historical novel is "Raptor." He reviewed this book for The Washington Post.

BRIDGE

By Alan Truscott

AN English idea was imported a quarter of a century ago, developed by Sam Stayman, it became known as the Namyais.

The idea is to use an opening bid of a four in a minor suit artificially, to show a long, strong major suit. A dramatic example is the diagrammed deal from semifinal stage of the International Team Trials in Memphis, from May, 1992.

Four clubs showed a relatively strong four-heart opening bid, and a four-diamond bid would similarly have shown spades. Over four clubs, South had an obvious four-spade bid. It was less obvious what West should do at this point. West doubted without much confidence, and then had a lead problem.

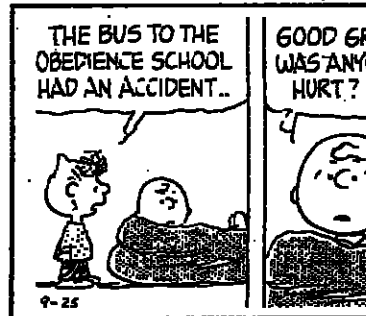
Looking at all four hands, it is obvious that South can make the doubled game by leading the spade-ace. But it was not obvious to North and South, who had to worry about the possibility that West's double was based on K-J-x in spades, in which case playing the ace would be fatal.

He therefore played a low trump which proved to be a disaster. West won the king and led his lowest club to give his partner a ruff. East cashed on heart winner and, guided by West's club play, shifted to diamonds. Now the defense took the diamond ace and a ruff for down two a penalty of 300.

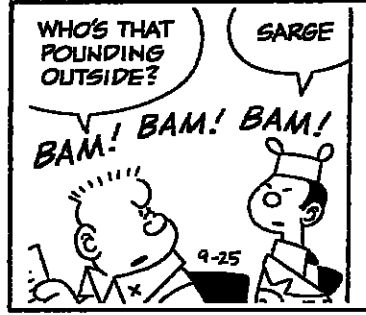
NORTH (D)			
♠	7		
♥	10 6 3		
♦	10 8 6 3		
♣	J 10		
WEST			
♠	K		
♥	A 7 5 2		
♦	Q 9 8 7 5 4 2		
♣	10 8 6 4 3 2		
EAST			
♠	J 8 5		
♥	A K Q 8 7 5 4		
♦	4 3		
♣	10 8 6 4 3 2		
SOUTH			
♠	10 8 6 4 3 2		
♥	Q 2		
♦	K Q 8		
♣	A K		

Neither side was vulnerable. The bidding: North East South West. Pass Pass Pass Dbl. West led the club eight.

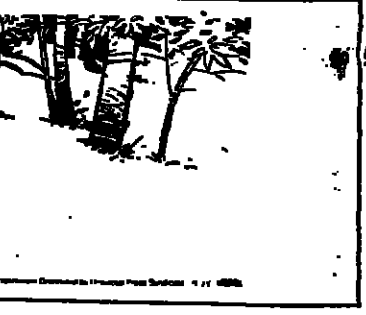
PEANUTS



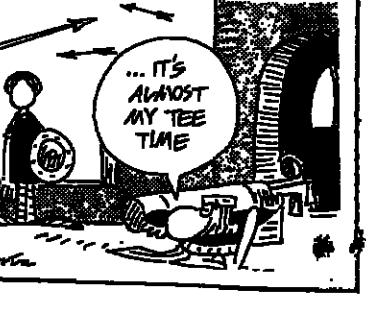
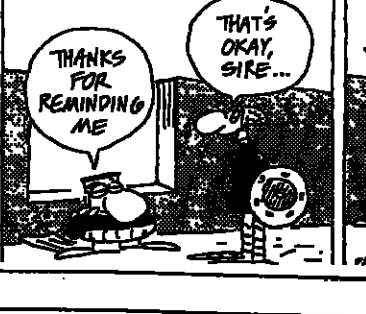
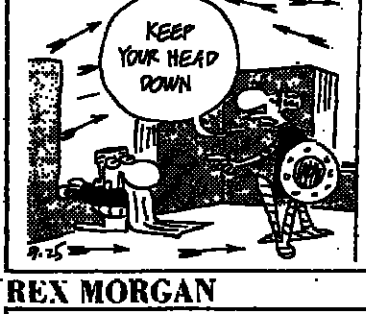
BETLE BAILEY



CALVIN AND HOBBS



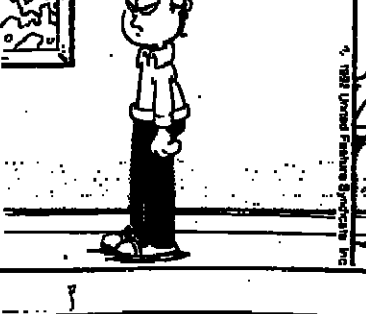
WIZARD OF ID



REX MORGAN



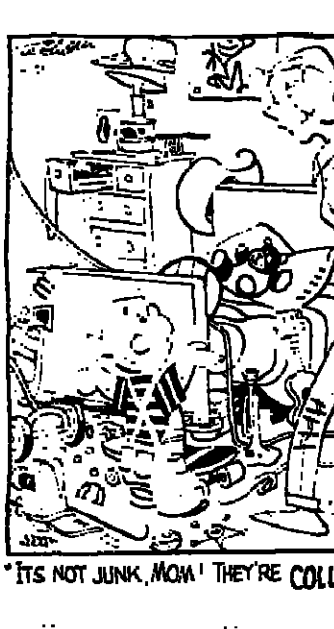
GARFIELD



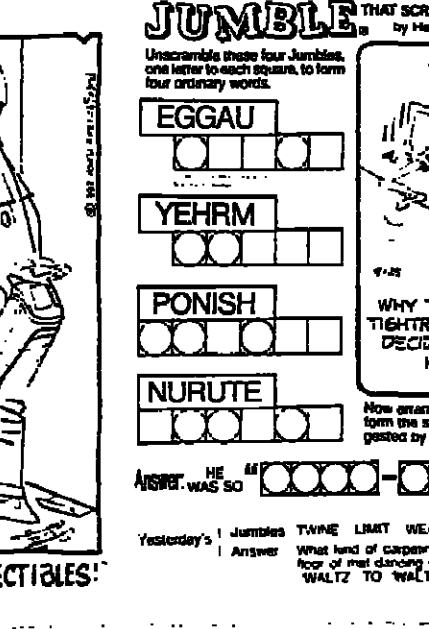
DOONESBURY



DENNIS THE MENACE



JUMBLE



BLONDIE



BLONDIE



طوكيو من الامم

OBSERVER

Affordable Manhattan

By Russell Baker

NEW YORK — Susan T. of Amsterdam Avenue is interested in "affordable housing." Her curiosity was piqued by Donald Trump a few months back when he was talking about one of those grandiose many-thousand-unit housing projects that engage the world's Trumps.

What sustains the New Yorker's civility is the conviction that there is no affordable housing. He clings to this conviction despite documentary evidence that here and there rent control still preserves a two-bedroom apartment renting for less than \$2,000 per month.

At that time Trump said that, if the public would subsidize it, he would include "affordable housing" in this Babylon planned for Manhattan's West Side. Just a moment, my good Trump, said Susan T. (here I paraphrase her letter to me), what's this with the "affordable housing"?

It was maddening to think of people who had not only settled in New York to enjoy the theater and the opera and the ballet and the fine restaurants, but also had enough money left after paying the rent to go to the theater, the opera, the ballet and fine restaurants.

Is my suspicion correct, Susan T.? If so, stop giving in to this sour envy simply because some of your fellow creatures are young enough, healthy enough, employed enough and rich enough to afford health insurance.

Incidentally, isn't Donald Trump bankrupt? I distinctly recall reading in the papers just a year or two or three ago that he'd gone bust and was so desperate that a court was allowing him to spend only a million or two per day, maybe even less.

Everyone in Manhattan — well, almost everyone — lives in space so ridiculously unaffordable that he is ashamed to let visitors from out of town how unaffordable it is.

Very early, Chang learned about the émigré experience. When she first arrived in Hong Kong as a popular teenage singer, she had to switch from her native Mandarin to slangy Cantonese; she used the new language, short though with English in her acting jobs.

From Kung Fu to Postmodern Hong Kong

By Joan Dupont

TORONTO — Sylvia Chang finds audiences here very well behaved. In Hong Kong, movies are released on Saturday midnight to an audience that chants, screams and talks back to the actors on the screen.

When they don't like the film, they take knives and carve up the chairs," says Chang, a Hong Kong director, who was the first woman guest of the Toronto Festival's Director's Spotlight.



Filmmaker Sylvia Chang: "I've been called a 'female Superman'."

Chang is something of a phenomenon: singer, actress, screenwriter and producer. She has a hand in 80 productions. But it was her skill in the martial arts — she practices Taiquan Do — that launched her career.

Chang is something of a phenomenon: singer, actress, screenwriter and producer. She has a hand in 80 productions. But it was her skill in the martial arts — she practices Taiquan Do — that launched her career.

PEOPLE

Do a Good Deed, Buy Dirty Harry's Gun

Clint Eastwood donated his '44 Magnum from "Dirty Harry." Phil Collins signed pair of drumsticks and Bob Dylan a harmonica for an auction of celebrity memorabilia in Miami Friday night to raise money for Hurricane Andrew's victims.

More good deeds from celebrities: Michael Jackson's Heal the World Foundation will pay for 13 doctors to go to Romania to operate on children with strabismus, or crossed eyes.

Billy Joel is suing his former law firm, Grubman, Lusk, & Grubman, P.C., for \$90 million, alleging that it paid kickbacks to Joel's former manager.

Universal Pictures says it has signed a multiyear, "first look" deal with Spike Lee, starting with his next movie. The terms of the pact were not disclosed.

The shooting of Bernardo Bertolucci's "Little Buddha" has been allowed to resume in Kathmandu after the film company agreed to change the title and script some scenes regarded as obscene.

Andrew Lloyd Webber says his next musical, "Sunset Boulevard," will open in the United States, not Britain. The show is based on the 1950 film starring Gloria Swanson and William Holden.

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